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ABSTRACT

The General Accounting Office (GAO) surveyed all Job Training Partnership Act (JTPA) Title III dislocated worker projects operating between October 1982 and March 1985 to obtain program information concerning (1) results achieved, such as placement rates and average wage levels; (2) assistance provided to participants, including skill training, direct placement, and support services; (3) characteristics of participants; and (4) program administration. The Title III projects reported having placed 69 percent of their participants in jobs. The average wage level reported for the jobs in which Title III participants were placed was $6.61 per hour--higher than the wage levels reported by other employment and training programs but lower than participants' prior wages and lower than that paid to private sector hourly nonsupervisory workers. While the services provided to Title III participants varied considerably, the predominant service provided was job placement assistance (more than 80 percent). Fewer than half of the participants received occupational skill training, and fewer than a quarter received support services. The projects also enrolled fewer older and less educated dislocated workers than the characteristic population of this group. Two issues emerged from GAO's analysis of the administration of Title III projects: the need to speed up implementation of Title III projects in some states and the need to reevaluate the matching requirement. Recommendations also were made to promote assistance for older and less educated workers. (KC)

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United States General Accounting Office

GAO

Report to the Congress

March 1987

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DISLOCATED WORKERS

Local Programs and Outcomes Under the Job Training Partnership Act

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GAO

United States
General Accounting Office
Washington, D.C. 20548

Comptroller General
of the United States

B-223485

March 5, 1987

To the President of the Senate and the
Speaker of the House of Representatives

This report discusses the characteristics and outcomes of Job Training Partnership Act title III dislocated worker projects operating nationwide. It should assist the Congress in considering proposals to restructure worker assistance programs. We surveyed all title III projects operating between October 1982 and March 1985.

Copies of the report are being sent to the appropriate House and Senate committees and subcommittees; the Director, Office of Management and Budget; the Secretary of Labor; title III project operators; and other interested parties.

Charles A. Bowsher

Charles A. Bowsher
Comptroller General
of the United States

Executive Summary

Purpose

With the U.S. economy continually changing, many workers are dislocated every year—even in times of economic expansion or recovery from recession. According to the Bureau of Labor Statistics, an estimated 2.2 million workers annually were dislocated from their jobs because of business closures or employment cutbacks during the 5-year period from January 1981 to January 1986. (See p. 10.)

In 1982, the Congress created title III of the Job Training Partnership Act specifically to facilitate the reemployment of dislocated workers. The $650 million distributed through the program from its inception through June 30, 1986, has provided assistance to, at most, 7 percent of the eligible workers. (See pp. 12-13.)

To assist the Congress in its oversight of the program, GAO surveyed all title III projects operating between October 1982 and March 1985 to obtain program information concerning: (1) results achieved, such as placement rates and average wage levels; (2) assistance provided to participants, including skill training, direct placement, and support services; (3) characteristics of participants; and (4) program administration.

This analysis should also assist the Congress in considering the administration plan contained in the fiscal year 1988 budget proposal to restructure existing assistance to dislocated workers under a new program at a much higher funding level.

Background

For states to receive title III formula funds, the Job Training Partnership Act requires them to match at least part of their allocation with nonfederal resources—either cash or in-kind contributions, such as unemployment compensation, the employer's share of on-the-job training wages, and the state's share of college and vocational center funds. The Congress recently amended the act to prevent the application of the matching requirement to title III funds allocated at the discretion of the Secretary of Labor.

Results in Brief

Title III projects reported having placed 69 percent of their participants in jobs—a higher rate than was achieved by earlier employment and training programs. The average wage level reported for the jobs in which title III participants were placed was $6.61 per hour—significantly higher than the wage levels reported by other employment and training programs but generally lower than participants' prior wages

and considerably below the $8.52 an hour paid to private sector hourly nonsupervisory workers.

While the services provided to title III participants varied considerably, the predominant service provided was job placement assistance (over 80 percent). Fewer than half of the participants received occupational skill training, and fewer than a quarter received support services.

The characteristics of the title III participants generally paralleled those of the dislocated worker population identified by the Bureau of Labor Statistics. However, title III projects enrolled proportionately fewer older and less educated dislocated workers.

JTPA title III allows states wide latitude in designing dislocated worker programs. The result has been considerable variation in the approaches used to allocate funds to local projects, the organizations operating projects, and the extent to which projects focused on specific business closures or layoffs. Two issues emerged from GAO's analysis regarding the administration of title III projects: (1) the need to speed up implementation of title III projects in some states and (2) the need to reevaluate the matching requirement.

GAO Analysis

GAO analyzed the responses from 563 title III projects operating between October 1982 and March 31, 1985, to a questionnaire concerning their last 9 months of operation. (See pp. 13-14.)

Placement Rates and Wages

Project success rates varied substantially among projects. About a third of the projects had placement rates above 80 percent, while 14 percent of the projects had placement rates below 40 percent. About a quarter of the projects placed participants in jobs averaging above $7.00 an hour, while about 28 percent had average placement wage levels at $5.00 an hour or less.

Outcomes Vary With Project Characteristics

Outcomes also varied with project characteristics, such as the organizations operating projects, training activities emphasized, or the extent of focus on specific business closures or layoffs. Projects emphasizing on-the-job training had higher-than-average placement rates, 78 percent. However, the average wage rates for these projects were well below the

average. Projects with a focus on a specific business closure had relatively higher average wage rates, $7.03 an hour, but lower average placement rates, about 65 percent. (See pp. 66-67.)

Most Participants Received Placement Assistance, Fewer Were Trained

Placement assistance provided to title III participants generally took the form of job counseling and job search assistance. About 84 percent of the participants received job counseling, and 66 percent received job search assistance. Occupational classroom skill training was the most common form of training. About 26 percent of the participants received such training. About 16 percent received on-the-job training, and 6 percent received remedial training. (See pp. 46-47.)

Participant Characteristics

According to the Bureau of Labor Statistics, in January 1984 about 20 percent of the dislocated workers it identified were 55 years of age or older. GAO found that about 8 percent of the workers enrolled in title III were in this age group. The bureau also found that 32 percent of the dislocated workers had less than a high school education. GAO's analysis showed that 22 percent of the title III enrollees were in this category. (See p. 39.)

The lower representation of older and less educated dislocated workers in title III projects is of particular concern, in GAO's opinion, because these two groups experience more difficulty in finding new employment than younger or more educated workers.

Some Problems in Program Administration

Because the period immediately following a business closure or layoff is the most critical for helping affected workers, the timely start-up of title III projects is considered especially important. However, the built-in lags associated with the preparation, submission, and approval of proposals in the "request for proposal" method of funding contributes to the slowness of some states' implementation of their title III projects. States tending to be slow in their expenditure of title III funds were more likely to have used the request for proposal funding method. GAO found that a year following their last fund allocation, 13 states had spent less than 60 percent of their title III funds received since the program began in 1982, and 11 of these states used the request for proposal approach. (See pp. 22-23.)

The requirement for nonfederal matching to receive title III funds was also a problem. Most projects satisfied the requirement by using participants' unemployment compensation, employers' share of on-the-job training wages, or the states' share of college and vocational center funds, all of which were existing resources and would have been available to workers anyway. Only 20 percent of the projects used newly appropriated funds to satisfy some portion of the match requirements. Since most projects used existing sources to meet the match requirement, the requirement appears to have influenced the selection of project participants and services provided. For example, the projects were more likely to enroll participants receiving unemployment insurance benefits or to offer on-the-job training because funds were already available for those efforts that could be applied against the matching requirement. (See pp. 24-25.)

Matters for Consideration by the Congress

Given the problems with the existing match requirement, the Congress may want to reevaluate this provision. The matching requirement could be made more meaningful by requiring that resources used to satisfy the match be new ones. If this were done, it would probably be necessary to reduce the current one-for-one match requirement because this level of matching would be more difficult to achieve using only new resources. This change would also reduce the influence of the matching requirement on selection of participants and services provided. But if the Congress is satisfied with the apparent influence that the current matching requirement has on the types of participants and services delivered by projects, then it may not want to make a change. (See p. 33.)

Recommendations to the Secretary of Labor

GAO also makes recommendations to the Secretary regarding technical assistance to facilitate the expeditious funding of projects (see p. 33.) and regarding obtaining greater participation by older and less educated dislocated workers (see p. 44).

Agency Comments

The Department of Labor concurred with GAO's recommendations to the Secretary and identified related actions it will take. (See pp. 34 and 44-45.)

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Abbreviations

BLS	Bureau of Labor Statistics
CETA	Comprehensive Employment and Training Act
CPS	Current Population Survey
GAO	General Accounting Office
JTLS	Job Training Longitudinal Survey
JTPA	Job Training Partnership Act
OJT	on-the-job training
OTA	Office of Technology Assessment
PIC	private industry council
RFP	request for proposal
SDA	service delivery area
SJTCC	State Job Training Coordinating Council
UI	unemployment insurance

Introduction

Each year many U.S. workers lose their jobs because of business closures and permanent layoffs and are faced with the often difficult task of finding a new job. They come from America's mainstream work force and represent virtually every major sector of the economy. They lose their jobs because of structural changes in the economy resulting from a variety of forces, such as increased international competition, shifts in consumer preferences, and technological advances. These persons have come to be known as "dislocated workers."

Based on data obtained in a supplement to the January 1986 Current Population Survey (CPS), the Bureau of Labor Statistics (BLS) reported that 10.8 million workers 20 years of age and over lost their jobs because of plant closings or employment cutbacks during the 5-year period from January 1981 to January 1986. About 5.1 million of these individuals had worked at least 3 years on their jobs, meeting the BLS definition of dislocated workers. By January 1986, about 3.4 million of the 5.1 million individuals were reemployed; however, about 900,000 were unemployed and looking for work, and another 800,000 had left the labor force.

Several federal programs are available to assist dislocated workers. The Trade Adjustment Assistance program, authorized under the Trade Act of 1974, provides assistance to those who have lost their jobs due to import competition. This program offers income maintenance allowances, job search assistance, training and related employment services, and cash assistance to facilitate relocation of workers and their families. The Employment Service program is available to help find jobs for unemployed workers, including dislocated workers. Operated through local offices, this program provides job counseling and referral.

With the enactment of the Job Training Partnership Act (JTPA) (Public Law 97-300) in October 1982, the Congress created a program specifically directed at helping dislocated workers find new jobs. Administered by the Department of Labor, title III of the act provides funds to state governments for establishing dislocated worker programs tailored to meet their specific needs. States distribute funds to local organizations, such as community-based organizations, educational institutions, unions, employers, or the service delivery area/private industry councils (SDA-PIC)[1] to provide the assistance to dislocated workers or they may administer the program through existing state agencies. Title III

[1] An SDA is an administrative unit established under JTPA. A PIC is the governing body of an SDA.

provides assistance in the form of training, job placement, worker relocation assistance, and supportive services, such as child care and transportation while in training.

According to the act, individuals eligible for the title III program are those who

- have been terminated or laid off or who have received a notice of termination or layoff, are eligible for or have exhausted their entitlement to unemployment compensation, and are unlikely to return to their previous industry or occupation;
- have been terminated or who have received a notice of termination of employment as a result of any permanent closure of a plant or facility; or
- are long-term unemployed and have limited opportunities for employment or reemployment in the same or a similar occupation in the area in which such individuals reside, including any older individuals who may have substantial barriers to employment by reason of age.

For the period October 1982 through June 1986, $650 million in federal funds was made available for the title III program. The act requires that at least 75 percent of title III funds be allocated to states using the following formula:

- One-third shall be allotted on the basis of the relative number of unemployed individuals who reside in each state as compared to the total number of unemployed individuals in all the states.
- One-third shall be allotted on the basis of the relative excess number of unemployed individuals who reside in each state as compared to the total excess number of unemployed individuals in all the states. "Excess number" represents unemployed individuals in excess of 4.5 percent of the civilian labor force in the state.
- One-third shall be allotted on the basis of the relative number of individuals who have been unemployed for 15 weeks or more and who reside in each state as compared to the total number of such individuals in all the states.

The other 25 percent of the funds appropriated for title III are reserved for allocation to states at the discretion of the Secretary of Labor. These discretionary funds may be used to aid individuals who are affected by mass layoffs, natural disasters, or federal government actions (such as

the relocation of facilities), or who reside in areas of high unemployment or designated enterprise zones.[2] A breakdown of the title III funding by funding period is shown in table 1.1. For a more detailed breakdown by state, see appendix I.

Table 1.1: JTPA Title III Funding

Dollars in millions

	Formula	Discretionary	Total
Oct. 1982-Sept. 1983	$82.5	$27.5	**$110.0**
Oct. 1983-June 1984	70.7	23.5	**94.2**
July 1984-June 1985	167.3	55.7	**223.0**
July 1985-June 1986	167.3	55.7	**223.0**
Subtotal	**487.8**	**162.4**	**650.2**
July 1986-June 1987[a]	71.8	23.9	**95.7**
July 1987-June 1988	150.0	50.0	**200.0**
Total	**$709.6**	**$236.3**	**$945.9**

[a]Department of Labor estimates for program years 1986 and 1987.

For states to receive their title III formula funds, JTPA requires them to match all or part of their formula allocation based on the state's average unemployment rate. States with an average unemployment rate at or below the national average are required to match title III formula funds with an equal amount of nonfederal resources. The required match for states with unemployment above the national average is reduced by 10 percent for each percent or portion thereof that the state's unemployment rate exceeds the national average. To meet the match requirement, the law allows states to include such resources as project participants' unemployment insurance (UI) benefits,[3] nonfederal subsidies to college and vocational centers, and employers' shares of on-the-job training (OJT) wages. The Congress recently amended JTPA to prevent the application of the matching requirement to title III discretionary funds; however, no action was taken regarding the matching requirement for title III formula funds.

A relatively small percentage of workers dislocated by business closures or permanent employment cutbacks appear to be receiving assistance from the title III program. Based on BLS estimates for the 5-year period from January 1981 to January 1986, an average of about 2.2 million

[2]An enterprise zone is an area designated by state or local governments for the purpose of economic development. To encourage businesses to locate or expand in these areas, benefits, such as preferential tax treatment or low interest loans, are provided.

[3]The JTPA legislation limits the use of UI benefits to no more than 50 percent of the required match.

workers a year lost their jobs because of business closures or permanent employment cutbacks. During program year 1984 (July 1, 1984, through June 30, 1985), the title III program served about 132,000 new enrollees, or 6 percent of the estimated number of workers dislocated annually. For program year 1985 (July 1, 1985, through June 30, 1986), about 145,000 new enrollees were served, or about 7 percent of the estimated number of workers dislocated.

Objective and Scope

To assist the Congress in its oversight of JTPA, we surveyed title III projects operating between October 1982 and March 1985. Our objective was to obtain information on (1) how states were using the federal funds made available under JTPA title III to help dislocated workers find jobs and (2) how the different approaches used may have influenced project outcomes.

Using information obtained from state JTPA officials, we identified a universe of 715 projects. We asked project officials to respond to a detailed questionnaire concerning their last 9 months of operation before April 1, 1985. Of these projects, 28 were eliminated from our survey because they were developing training materials for use in other projects or were providing assistance to workers through cable television programs and therefore had no participant information. Another 61 projects were eliminated because they were in the initial planning stages of their program and had not begun to bring participants into the program or they did not have sufficient numbers of participants to respond to our questionnaire. Of the remaining 626 projects, 563 (or 90 percent) responded to our questionnaire, and their responses formed the basis for our analysis.[4]

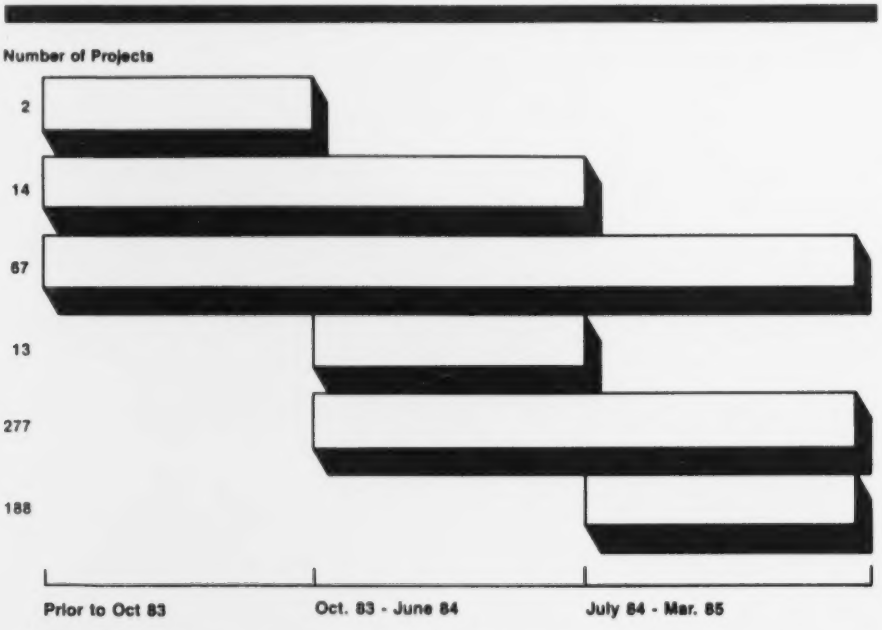
As of March 31, 1985, the cutoff date we used for collecting detailed project data, about 25 percent of the 563 projects had completed their operations, while 75 percent were still active. All of the projects surveyed operated during one or more of the following title III funding periods:

- Before the transition year (Oct. 1982-Sept. 1983).
- Transition year 1984 (Oct. 1983-June 1984).
- The first 9 months of program year 1984 (July 1984-Mar. 1985).

[4]The questionnaire used for this survey was designed to collect detailed information on a variety of program topics. Because some topics did not apply to every project, all 563 projects were not expected to provide a response to each question. Therefore, the statistical data presented in this report are based on the number of projects responding to a specific question rather than 563, the total number of projects surveyed.

The number of projects operating during each of these three periods is shown in figure 1.1.

Figure 1.1: Number of Projects Operating in Each Time Period



A list of the number of projects in our analysis by state is shown in appendix V.

Methodology

The responses provided by the 563 projects to our questionnaire were analyzed to identify

- the variety of approaches used in administering title III projects and the extent to which these approaches were being used;
- characteristics of project participants and comparison of these with the characteristics of dislocated workers identified by other researchers;
- kinds of training activities, placement assistance, and support services available to project participants and the extent to which each was provided to title III participants; and
- project outcomes measured in terms of placement rates, average wage levels, and the extent to which project participants found jobs in different occupations and industries.

Project responses were also analyzed to identify possible patterns or relationships between the way projects were implemented or structured and other project variables. Because our questionnaire gathered data at the project level rather than the individual participant level, we cannot identify individual participant data that may have influenced these relationships. However, we believe our analysis provides insight into (1) how projects were administered, (2) who received assistance, (3) what kinds of assistance were provided, and (4) what results were achieved.

To provide reasonable assurance that the information gathered through the questionnaire responses accurately described the projects, their outcomes, and the opinions of project officials, we:

- Visited several title III projects during questionnaire development to assure that the information we were seeking was available and that the necessary records were maintained to support the responses to our questionnaires.
- Performed internal validity checks on the questionnaire responses and made several hundred follow-up phone calls to assure that we understood the responses provided and that corrections were made when we had reason to believe the data were in error.
- Visited six locations (after we had questionnaire results) to discuss the questionnaire responses with project officials and review individual client records to determine whether the procedures used to compile information in support of their responses were adequate to assure reliable information.

In addition, to assure that results obtained from the analyses of our questionnaire data were consistent with other sources of information on the activities and outcome of the title III program, we:

- Cross-checked aggregate statistics from our questionnaires against data reported by the Department of Labor's Job Training Longitudinal Survey (JTLS).
- Had our analysis reviewed by a panel of title III administrators and outside experts knowledgeable about the program to obtain their reactions to the results of our work.

We also compared the results of our analysis to the research of others, such as the Office of Technology Assessment (OTA);[5] Westat, Inc.;[6] The Urban Institute; the Congressional Research Service; and the Congressional Budget Office. For a list of studies used in our analysis, see the bibliography at the end of this report.

While we did not perform a statistical validity check of the information obtained through the questionnaire, we believe that the actions taken provide reasonable assurance that the information gathered through our questionnaire accurately describes the projects, their activities, and their outcomes.

To supplement the information obtained from our questionnaire, we met with project officials at 27 project sites and made telephone follow-up contacts with officials at 30 of the 563 projects in our analysis.

Responses to our questionnaire were obtained from title III project officials between April 1 and June 30, 1985. Our analysis and additional follow-up work was performed between July 1, 1985, and July 30, 1986. All work was done in accordance with generally accepted government audit standards.

[5]U.S. Congress, Office of Technology Assessment, Technology and Structural Unemployment: Reemploying Displaced Adults, February 1986.

[6]Westat Inc., State Level Implementation of the Job Training Partnership Act, 1984.

Program Administration

JTPA title III allows states wide latitude in designing dislocated worker programs, and the Department of Labor has implemented the program to allow maximum state flexibility. Thus, states have been free to develop programs that they believe best meet the needs of their dislocated workers. The result has been considerable variation in the approaches used to allocate funds to local projects, the organizations operating projects, and the training provided, as well as the extent to which projects are focused on specific events or subpopulations. Our analysis indicates that such differences may affect the timing of project implementation and the individuals served.

Based on our analysis of questionnaire responses and discussions with project officials, two issues emerged regarding the administration of title III projects—(1) the slow implementation of the projects and the slow state expenditure of title III program funds and (2) the ineffectiveness of the matching requirement in generating additional nonfederal resources for dislocated worker projects.

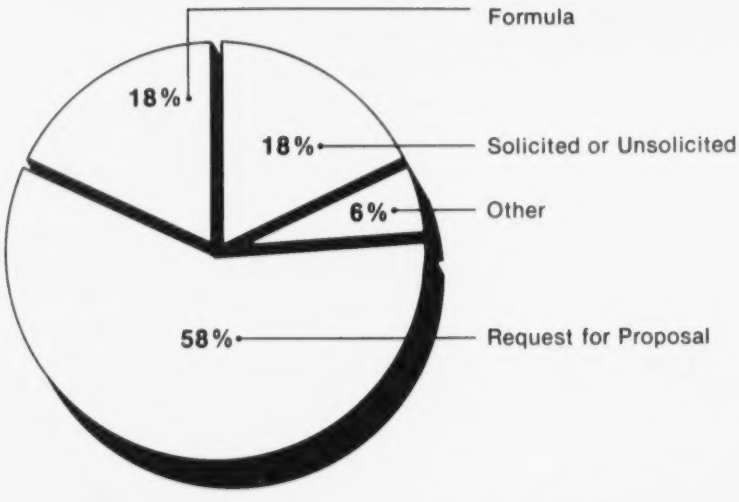
Most states funded their title III projects using the request for proposal (RFP) approach, which requires organizations seeking title III grants to develop, submit, and obtain approval of their proposals prior to funding. The built-in lags associated with this process, however, have likely contributed to the slow start-up of many title III projects. In addition, states that tended to be slow in their expenditure of title III allocations were more likely to use the RFP approach than other funding approaches.

As discussed in chapter 1, JTPA rules require states to provide nonfederal matching resources. While the purpose of this requirement is unclear in the law and legislative history, one common purpose of matching requirements is to provide leverage to increase total resources available for programs. Our analysis suggests that the current matching requirement for title III has generated little new cash or in-kind contributions for the title III program that would not otherwise have been available to help dislocated workers. In addition, project officials indicated that the matching requirement has been administratively burdensome for some projects.

Funding of Title III Projects

Local title III projects received their funds from the states through several different funding mechanisms. Some projects received funds through a formula allocation or based on solicited noncompetitive proposals, but most projects received their funds through the RFP method (see fig. 2.1).

Figure 2.1: RFP Predominant Funding Method



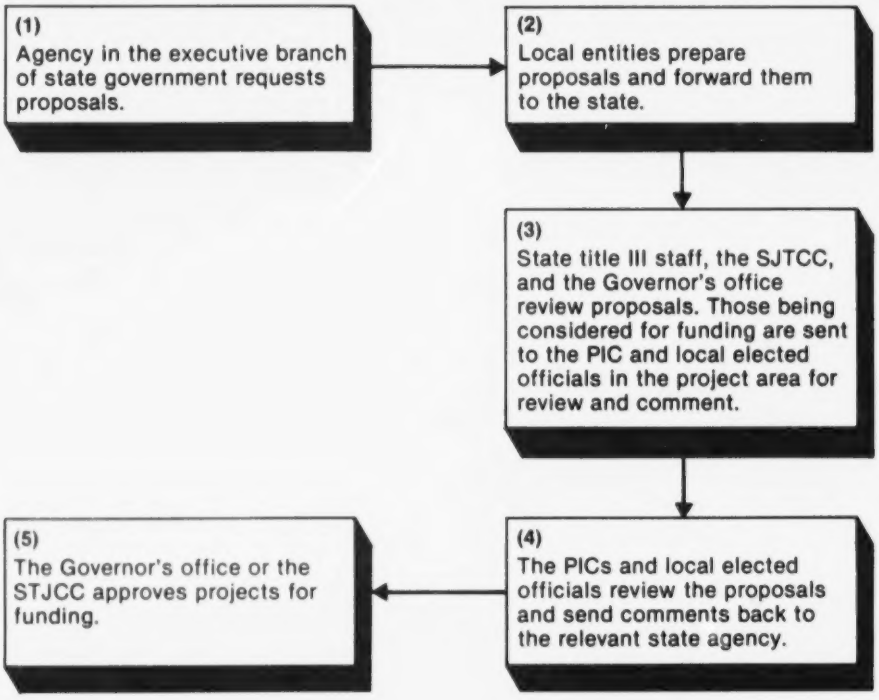
Formula allocation involves states allocating funds to SDAs and local entities on the basis of a formula that is often based on local levels of unemployment. Solicited proposals are those submitted by local entities at the request of the state and are funded on a noncompetitive basis to meet specific needs, such as unexpected business closings. Because the state initiated the action, the funds are often committed to the area before the specific details of the project are completely developed.

The RFP approach is a competitive process in which local officials, union leaders, or businessmen respond to a formal request from the state by preparing a proposal for assisting dislocated workers and detailing the funding needed. These proposals are typically forwarded for review to the state title III staff, the State Job Training Coordinating Council (SJTCC),[1] and the governor's office. Proposals under consideration for funding are then sent to the PIC[2] and local elected officials from the project area for their review and comment. Figure 2.2 illustrates the process for approval of RFPs.

[1]JTPA requires each state to establish such a council composed of representatives from business, state and local elected officials, and the general public to coordinate employment training assistance from JTPA as well as other private or public sources.

[2]PICs are a required part of the JTPA administrative framework. Each SDA must have a PIC, which must have a majority of its members from the private sector. Other members may be from organized labor, community-based organizations, economic development agencies, and the public employment service. For a more detailed discussion of the administration of JTPA, see Job Training Partnership

Figure 2.2: RFP Approval Process


(1)
Agency in the executive branch of state government requests proposals.
(2)
Local entities prepare proposals and forward them to the state.
(3)
State title III staff, the SJTCC, and the Governor's office review proposals. Those being considered for funding are sent to the PIC and local elected officials in the project area for review and comment.
(4)
The PICs and local elected officials review the proposals and send comments back to the relevant state agency.
(5)
The Governor's office or the STJCC approves projects for funding.

States' widespread use of the RFP approach is apparently related to several factors. Westat, Inc., a private research corporation under contract with Labor, reported[3] that states have found the use of the RFP approach eases the planning burdens associated with implementing a new program by involving the local level in the planning process. States were able to leave the specific targeting, outreach, and service delivery strategies to the organizations submitting the proposals. It also resulted in a "bottom-up" approach to planning, since the state could not grant final approval of a proposed project until the PIC and local officials from the project area had a chance to review and make recommendations on the proposal. The RFP approach gives state officials ultimate control over how title III resources are spent since proposals inconsistent with state plans can be disapproved. Thus, states have discretion in targeting title

Act: Initial Implementation of Programs for Disadvantaged Youth and Adults (GAO/HRD-85-4, Mar. 4, 1985).

[3]Westat, Inc., The Organization of Title III of the Job Training Partnership Act in Fifty States, May 1984.

III services to areas with particularly high unemployment rates or specific business closures and can, if they wish, avoid spreading resources too thinly to create effective programs.

The RFP approach also has some drawbacks. OTA, commenting on the slow start-up of title III projects, said that the RFP funding method chosen by a number of states to establish title III projects had built-in time lags.[4] OTA also stated in a later report[5] that it is not unusual for the implementation of projects to be delayed 3 or 4 months. Westat, Inc., made a similar observation when it reported that the RFP approach lengthened the decision-making process.[6] Both reported that because this approach required the involvement of the PICs and local elected officials, there was a longer application review process. In addition, Westat noted that some projects were delayed because of difficulty in getting proposals to meet state specifications. In one state, 95 percent of the proposals were returned to local officials because they failed to meet state requirements.

A further indication of the impact of the RFP approach on the implementation of the title III program is the rate of expenditure of program funds. Slow state expenditures of title III funds may indicate that some states are not quickly responding to the dislocation of workers by business closures or permanent layoffs. While 16 states had expended more than 80 percent of their cumulative allocations of title III funds as of June 30, 1985, 16 states had expended 60 percent or less, as shown in table 2.1. For the 24 states that did not use the RFP approach for funding title III projects, the average percentage of funds expended was 68 percent as of June 30, 1985. For states using the RFP approach, the average percentage of funds expended was 60 percent. While most states using the RFP approach (58 percent) expended 60 percent or more of their title III funds and 8 had expended more than 80 percent, 11 of the 16 states that had expended less than 60 percent of their funds used the RFP funding method.

Initially, the slow expenditure of title III funds was attributed by program officials to the newness of the program, attention by state officials to other parts of JTPA, and delays in the availability of funds from the

[4]U.S. Congress, Office of Technology Assessment, Technology and Structural Unemployment: Reemploying Displaced Adults, February 1986.

[5]U.S. Congress, Office of Technology Assessment, Plant Closing: Advance Notice and Rapid Response Special Report, OTA-ITE-321, September 1986.

[6]Westat, 1984.

Department of Labor. According to program officials, as they gained experience with the program, states would accelerate the commitment of title III funds to specific projects and funds would be spent quicker. However, although some states had accelerated their expenditures, as shown in table 2.1 and figure 2.3, as of June 30, 1986, 13 states have expended less than 60 percent of the title III formula funds allocated since the beginning of the program even though a year had passed since their last allotment. Eleven of these states used the RFP funding approach.

Table 2.1: Comparison of Funding Approaches and Cumulative Expenditures of Title III Funds

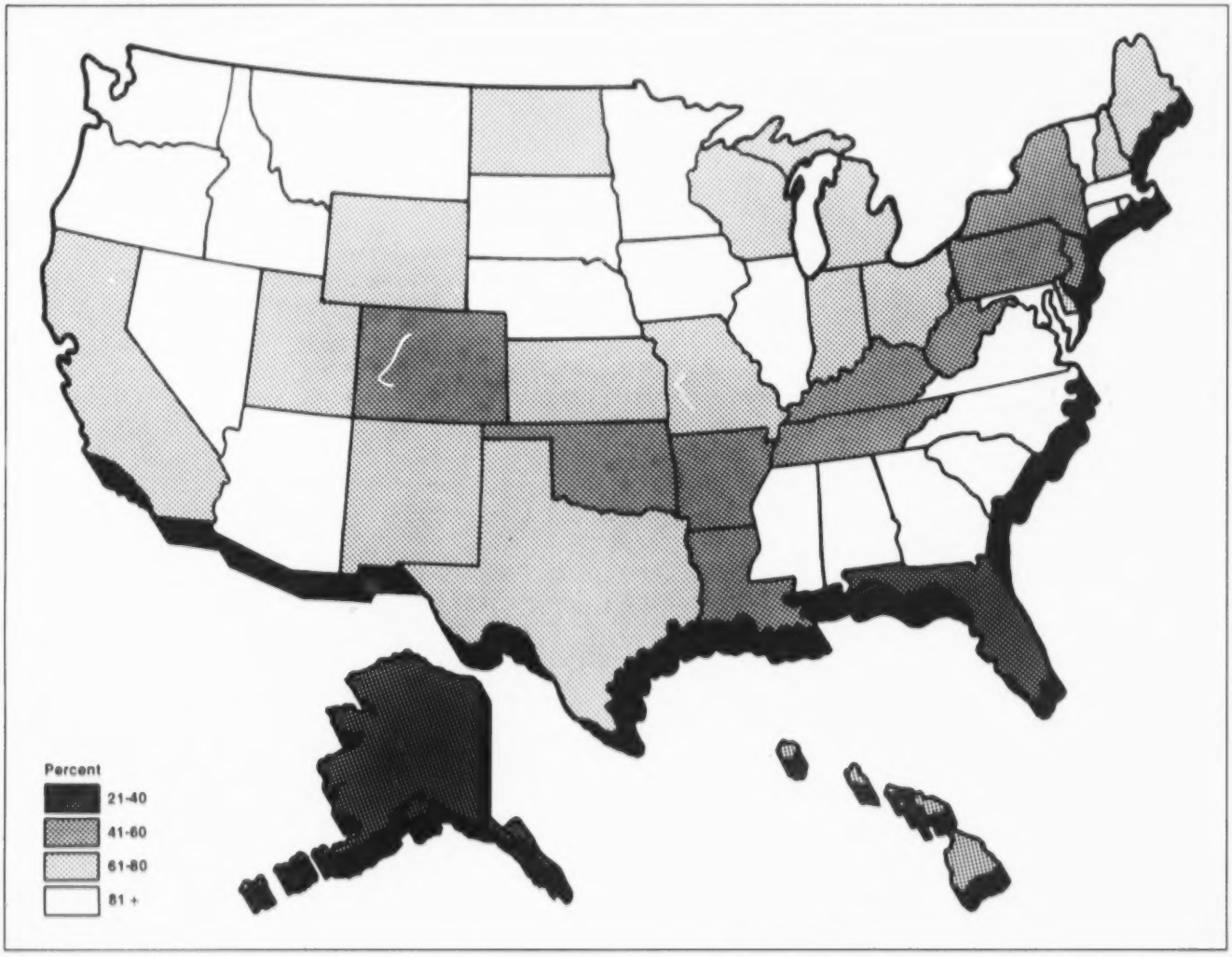
	Percentage expended as of June 30, 1985					
Funding approach	**0-20**	**21-40**	**41-60**	**61-80**	**Over 80**	**Total**
RFP	1	3	7	7	8	**26**
Formula	0	0	3	6	3	**12**
Solicited	0	0	1	3	1	**5**
Mixed	0	0	1	1	3	**5**
Other	0	0	0	1	1	**2**
Total	**1**	**3**	**12**	**18**	**16**	**50**

	Percentage expended as of June 30, 1986					
Funding approach	**0-20**	**21-40**	**41-60**	**61-80**	**Over 80**	**Total**
RFP	0	2	9	6	9	**26**
Formula	0	0	2	4	6	**12**
Solicited	0	0	0	3	2	**5**
Mixed	0	0	0	1	4	**5**
Other	0	0	0	1	1	**2**
Total	**0**	**2**	**11**	**15**	**22**	**50**

As OTA reported, the slow implementation of the title III projects is a major concern. OTA noted that the days immediately following a business closing can be the most critical for helping workers find new jobs or obtain retraining. The timely start-up of title III projects is important

- to facilitate the outreach by project officials to the affected workers,
- to help workers plan their reemployment strategies,
- to provide job search assistance to workers when they are most eager, and
- to provide retraining before income support from UI and other severance benefits is exhausted.

Figure 2.3: State Cumulative Expenditures as of June 30, 1986



While some states have implemented their title III projects quickly, others have not. States slow to expend their resources, most of which use the RFP method of funding, may need technical assistance to identify ways to accelerate their funding mechanism to facilitate the implementation of title III programs and assure that the assistance for dislocated workers is provided in a timely manner.

Matching Requirements

As discussed in chapter 1, for states to receive title III formula funds, JTPA requires them to provide nonfederal matching resources.[7] Our analysis suggests that the matching requirement, however, generates little new cash or in-kind resources for the program that would not otherwise have been available while resulting in an administrative burden for many projects. In addition, it may restrict participation by certain workers or the use of training approaches that do not generate matching resources.

Generally, the states met the matching requirement by requiring individual projects to account for the matching resources. According to respondents, 433 (or 77 percent) of the 563 projects in our analysis were required to account for matching resources. These projects used a variety of state, local, and private sources for cash and in-kind contributions to satisfy their match requirement. Eighteen percent of the projects relied exclusively on cash contributions to meet their match requirement, about 38 percent used a combination of cash and in-kind contributions, and the other 44 percent used only in-kind contributions. Common sources of cash and in-kind contributions are:

- Funds from participants' former employer.
- Funds from participants' potential employer.
- Union funds.
- State appropriated funds.
- Local funds.
- Employer's share of OJT wages.
- State's share of college and vocational center expenses.
- Participants' UI benefits.
- Office space and facilities.
- Equipment and supplies.
- Staff time.

[7]The Congress recently amended JTPA to prevent the application of the matching requirement to discretionary funds; however, no action was taken regarding the matching requirement for title III formula funds.

Relatively few of the title III projects in our analysis generated new cash to meet the matching requirement. Of the 433 projects required to account for nonfederal matching resources, 50 used funds appropriated specifically by the state to satisfy the matching requirement, and 35 used local funds. The most common in-kind contributions were unemployment compensation, the employer's share of OJT wages, or the state share of college and vocational center funds, all of which would have been provided to workers anyway.

In commenting on the availability of resources used for matching, 24 of the 30 project officials we contacted by telephone advised us that the in-kind resources used for their project would have been available even if they had not been required to generate matching resources. According to these officials, generating new resources that were not already available would be extremely difficult, particularly in areas facing high unemployment or significant business closures or layoffs. Westat concluded in its report that it was unlikely that the title III matching requirement will increase overall resources for employment and training activities.[8]

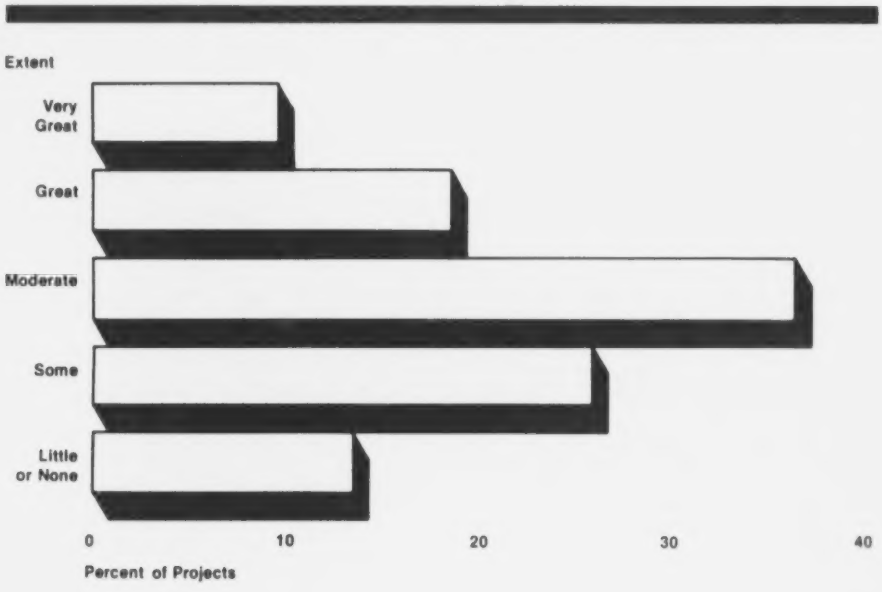
OTA reported that the matching requirement is one aspect of title III with which states are most dissatisfied. The majority of states, according to OTA, must assemble a variety of cash and in-kind contributions.[9] Most state officials said that this way of putting together matching resources imposes a bookkeeping burden. This observation was expressed by state title III administrators during a series of public forums conducted by congressional staff in 1984. They said that cash contributions are difficult for states to furnish and in-kind contributions are burdensome and time consuming to document. Program administrators responding to our questionnaire pointed out that, in some cases, accounting for matching resources increased their administrative burden. As shown in figure 2.4, about 62 percent of the projects required to account for matching resources reported that staff resources and time were used to either a moderate, great, or very great extent to obtain and document matching resources.[10]

[8]Westat, The Organization of Title III of the Job Training Partnership Act in Fifty States, 1984.

[9]Office of Technology Assessment, Technology and Structural Unemployment: Reemploying Displaced Adults, February 1986.

[10]See appendix III for data supporting bar graphs contained in the text of this report.

Figure 2.4: Respondent Impressions of Burden to Obtain and Document Matching Requirement



Matching Requirement May Also Influence Who Participates and the Assistance Available

Our analysis showed that projects that were required to account for matching funds had a higher percentage of participants receiving UI benefits than did projects that were not required to match. As shown in table 2.2, 60 percent of the participants in projects required to match were receiving UI compared to 40 percent of those in projects not required to match. OTA reported that 17 of 45 states indicated that the matching requirement leads to targeting of services to workers eligible for UI.[11] Thus, it is possible that dislocated workers who have exhausted UI benefits or never received them, and therefore may be in the greatest need of assistance, are less likely to be served by projects subject to a matching requirement.

Table 2.2: Comparison of Match Requirement and Participants' UI Status

	Percentage of participants among projects		
UI status	Requiring match	Not requiring match	Total
Receiving UI benefits	60	40	**57**
Not receiving UI benefits	40	60	**43**

[11]Office of Technology Assessment, February 1986.

Our analysis also indicates that the matching requirement may influence the services offered. Almost one-third of the projects indicated that the matching requirement determined from a great to a very great extent the selection of the type of activities provided to project participants.[12] An example of how the matching requirement may influence project activities was found in our analysis of projects offering OJT. We found that projects required to account for matching funds offered OJT more often than projects not required to do so. Table 2.3 shows that while 74 percent of the projects required to account for matching funds provided OJT, only 52 percent of those not required to do so provided such training. This may result because the employer's portion of OJT wages is frequently used by projects to meet their matching requirement. In contrast, we found less variation in the percentage of projects offering classroom training. Because our study did not address the specific needs of individual project participants, we could not determine whether there were any negative consequences as a result of any bias in the services offered.

Table 2.3: Comparison of Match Requirement and Project Activities

	Percentage of projects		
Types of training available	Requiring match	Not requiring match	Total
Classroom	76	81	**77**
OJT	74	52	**69**

Variations Among Title III Projects

In addition to being funded through the RFP approach and required to match title III funds, the majority of the title III projects were (1) relatively small; (2) not focused on a specific population, closure, or layoff; (3) not linked to specific jobs openings; (4) operated by public sector organizations; and (5) required to meet performance standards. Table 2.4 shows the many differences in title III projects.

[12]OTA also reported that some state JTPA directors said that the service mix in their programs is biased by the matching requirement.

Table 2.4: Variations in Title III Project Characteristics

Characteristics	Variations		
Project size (number enrolled)	50 or fewer	51 to 200	Over 200
Percent	38%	36%	26%
Focused on specific closures or layoffs	Yes	No	Mixed
Percent	19%	62%	19%
Linkage to specific jobs	Yes	No	
Percent	18%	82%	
Project operators[a]	Public sector[b]	SDA-PIC	Employer-union
Percent	52%	31%	9%
Performance standards	Yes	No	
Percent	80%	20%	

[a]About 8 percent of the projects were operated by unspecified organizations.

[b]Includes 26 percent operated by educational institutions and 26 percent by other public groups.

Project Size

In contrast to other employment training programs under JTPA and prior programs under Comprehensive Employment and Training Act (CETA), title III projects were relatively small. The average number of enrollees in a CETA project was about 2,300 for fiscal year 1980 and about 1,600 for fiscal year 1982. The JTPA title IIA program for economically disadvantaged enrolled an average of just over 1,600 participants per project. The average number of enrollees in a title III project was 78, and over a third of the projects had fewer than 50 participants. Table 2.5 shows the distribution of projects by number of enrollees.

Table 2.5: Project Size

Number enrolled in project	Percentage of projects
25 or fewer	23
26 to 50	15
51 to 100	20
101 to 200	16
201 to 500	16
501 to 800	5
Over 800	5
Total	**100**

Focus on Specific Closures or Layoffs

While the title III program was established to provide assistance to workers dislocated by business closures or permanent layoffs, most projects (62 percent) did not focus on a specific closure or layoff but were open to all eligible dislocated workers who applied for assistance.

As shown in table 2.6, when projects focus on a specific group, it is usually a specific business facility or industry.

Table 2.6: Extent of Project Focus on Specific Closures and Layoffs

Enrollment focus	Percentage of projects
Open projects (not event specific)	62
Focused on specific population or event	19
Partially focused projects	19
Total	**100**
Population definitions of focused projects	**Number of projects[a]**
Industry specific	62
Union specific	36
Plant or company specific	141
Demographic characteristic specific (age, gender, race)	28

[a]Some projects had more than one target criteria; as a result, this column is not additive. A total of 204 projects were partially or totally focused.

Job Linkage

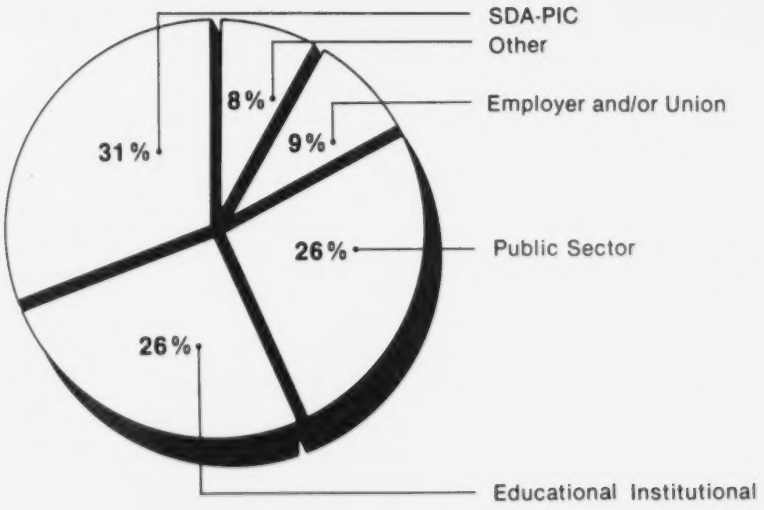
Another significant difference between title III projects and prior employment training programs is the extent to which projects had a link to specific job openings for project participants. For example, in 18 percent of the projects, potential employers were identified before project participants were selected. In addition, nearly half of the OJT slots were identified before project participants were selected.

Project Operators

An important aspect of JTPA is the partnership between the public and private sectors. Most title III projects are operated by a variety of public sector organizations, or SDA-PICs, as shown in figure 2.5. Public sector organizations, which operated 52 percent of title III projects, included educational institutions (26 percent), community-based organizations (13 percent), state employment service agencies (9 percent), state service centers (2 percent), and other state agencies (2 percent). SDA-PICs operated about 31 percent of the projects. They also operate JTPA title IIA programs for the economically disadvantaged.

About 9 percent of title III projects are operated by either employers, unions, or employer/union consortia. Unions and employers jointly operated about 2 percent of the projects. Unions operated 4 percent of the projects, and past or potential employers operated about 3 percent of the title III projects.

Figure 2.5: Operators of Title III Projects



Further analysis of project operators and project characteristics showed that, as might be expected, employer/union operators were more likely than projects operated by others to focus on dislocated workers from a closure or layoff at a specific business facility. As shown in table 2.7, about 31 percent of the projects that were operated by employer/union groups focused on workers from a specific closure or layoff. In contrast, 14 percent of the projects operated by educational institutions focused on a specific event.

Table 2.7: Comparison of Project Operator and Project Focus

	Percentage of projects that focused on a specific event			
Project operator	**Yes**	**No**	**Mixed**	**Total**
Employer/union	31	45	24	**100**
Public sector	16	62	22	**100**
SDA-PIC	21	65	14	**100**
Educational institution	14	68	18	**100**
Other	17	60	23	**100**

The degree to which job linkage was present, as evidenced by the percentage of projects for which specific job openings were identified before project participants were selected, also varied by type of project operator, as shown in table 2.8. For example, as many as 27 percent of the employer/union projects had links to specific job openings, as did 24

percent of the public sector and SDA-PIC operated projects. In comparison, 8 percent of the projects operated by educational institutions had job linkage.

Table 2.8: Comparison of Project Operator and Project Job Linkage

	Percentage of projects linked to a specific job		
Project operator	**Yes**	**No**	**Total**
Employer/union	27	73	**100**
Public sector	24	76	**100**
Educational institution	8	92	**100**
SDA-PIC	24	76	**100**
Other	11	89	**100**

Performance Standards

Although the Department of Labor has not established performance standards for title III projects, states required most local projects to meet one or more standards covering placement, retention, cost per placement, or wage levels. However, the ability to achieve the standards varied among projects.

About 80 percent of the local projects were required to meet state-imposed performance standards. However, not all of these projects were required to meet the same standards, as shown in table 2.9.

Table 2.9: Projects With Performance Standards

Standard	Percentage of projects with a standard
Placement	96
Cost	64
Wage	54
Retention	26

Of the projects responding to our questionnaire that were required to achieve a placement standard, the rate ranged from 25 to 100 percent, with about half of these projects required to achieve at least a 65-percent placement rate. Of the 30 projects we contacted during our follow-up work, 6 had a retention rate standard requiring that between 60 and 100 percent of those placed retain their employment for at least 30 days after entering their new job. The maximum cost per placement standard among these 30 projects ranged from $975 to $9,000, and the average placement wage rate standard ranged from $3.35 to $5.76 per hour.

Conclusions

JTPA title III has given states wide latitude to design dislocated worker projects. This has resulted in states using a variety of approaches to implement and administer title III projects. However, two concerns emerged from our analysis regarding the administration of title III projects: (1) the need to promote quicker implementation of title III projects and (2) the need to reevaluate the matching resources requirement.

The days immediately following a business closure or permanent layoff are the most critical for helping workers find new jobs or obtain retraining. The timely start-up of title III projects is especially important because income support from UI and other severance benefits are generally limited to the few months following layoff. However, the built-in lags associated with the RFP method of funding appear to contribute to the slowness of some states in implementing title III projects to respond to the dislocation of workers by business closures or permanent layoffs.

The RFP method of funding requires a longer application review process, including approval by PIC members and local elected officials. It is not unusual for this process to result in implementation delays of 3 to 4 months. In addition, states tending to be slow using their title III funds were more likely to use the RFP funding method than other methods. We found that 11 of the 13 states that were the slowest in expending funds used the RFP approach. Because of the scope of our review, we did not determine what other problems may be contributing to the slow expenditures of funds or what problems, if any, may be associated with other funding approaches. However, we believe improvements are needed in the mechanisms used to allocate funds to local projects to facilitate the quicker implementation of title III projects and assure that the assistance for dislocated workers is provided in a timely manner. While states that used the RFP method predominated the list of slowest states to expend funds, other states that used that method were among the fastest; thus, the RFP approach need not be slow. However, states slow to expend their funds may benefit from technical assistance.

Another concern in the administration of title III projects is the requirement for nonfederal matching resources in order to receive title III funds. Relatively few of the projects in our analysis generated new cash or additional resources to meet the matching requirement. Of the 433 projects required to provide matching resources, only 20 percent used funds specifically appropriated to satisfy the matching requirement. Also, we found that the resources used for the matching requirement,

according to title III administrators, would have been available to projects even if they had not been required to satisfy the requirement.

To generate new resources that were not already available is extremely difficult, according to title III administrators. This problem is particularly acute in areas facing high unemployment or significant business closures or layoffs. In addition, accounting for in-kind contributions can be a burdensome and time-consuming process for project operators. About 62 percent of the projects required to account for matching resources indicated that staff resources and time either to a moderate, great, or very great extent were needed to obtain and document matching resources.

In addition, the matching requirement may influence both the characteristics of dislocated workers who participate in title III projects and the assistance they receive. Projects required to meet the requirement were more likely to serve a higher percentage of those dislocated workers who were receiving unemployment insurance benefits and were more likely to offer OJT than other projects. Because UI benefits and the employer's share of OJT wages were major sources of matching funds, project operators may have been influenced in the design of their programs by the matching requirement as well as the needs of individual dislocated workers.

Matters for Consideration by the Congress

Given the problems with the existing match requirement, the Congress may want to reevaluate this provision. The matching requirement could be made more meaningful by requiring that resources used to satisfy the match be new ones. If this were done, it would probably be necessary to reduce the current one-for-one match requirement because this level of matching would be more difficult to achieve using only new resources. This change would also reduce the influence of the matching requirement on selection of participants and services provided.

But if the Congress is satisfied with the apparent influence that the current matching requirement has on the types of participants and services delivered by projects, then it may not want to make a change.

Recommendation to the Secretary of Labor

We recommend that the Secretary provide technical assistance to states that are slow in their expenditure of title III funds. The technical assistance should focus on ways to speed up the "request for proposal" funding mechanism.

Agency Comments and Our Evaluation

In commenting on a draft of this report (see app. VII), the Department of Labor concurred with our recommendation to the Secretary and noted that Labor and such interest groups as the National Governors' Association and the National Alliance of Business are available to provide technical assistance to the states upon request.

Labor does not believe, however, that technical assistance to speed up the RFP funding mechanism is necessarily the preferred course of action. It stated that giving the Secretary greater discretionary authority to award title III funds could help alleviate the problem by awarding funds to areas with greater need and not awarding funds to areas with few dislocated workers. In addition, Labor is developing a proactive approach to managing job training programs which includes in-depth management reviews of state program administration, which will be implemented in the summer of 1987. Labor also is conducting a demonstration project of early intervention by labor and management teams in partnership with government. This approach is patterned after the Canadian Industrial Adjustment Service.

Labor noted that the administration's fiscal year 1988 budget proposes to replace title III and the Trade Adjustment Assistance program with a new program, which will feature early adjustment assistance and other features that Labor indicates should result in both timely expenditure of funds and improved delivery of services to dislocated workers.

We agree that, as Labor stated, there is technical assistance available to states from a variety of sources and that additional steps proposed should also help to alleviate the problem of slow fund expenditure in some states that use the RFP funding method. We do not believe, however, that giving the Secretary greater discretionary authority to award title III funds will necessarily correct the problem. Among the states that we cited as being slow to expend funds, two, Louisiana and Oklahoma, have experienced significant worker dislocation in recent years. The west south central region (composed of Texas, Oklahoma, Louisiana, and Arkansas) had the highest rate of business closure and permanent layoffs in 1983 and 1984, affecting 12 percent of establishments employing 100 or more workers. Thus, the scarcity of dislocated workers does not, in all cases, appear to be the cause of slow expenditures.

Participant Characteristics

Because title III is designed to specifically assist workers who have lost or may lose their jobs because of business closures or permanent layoffs without regard to their economic status, it differs from the rest of JTPA, which focuses on the economically disadvantaged. Some observers have suggested that a separate reemployment program is not needed for dislocated workers because existing programs could meet their reemployment needs. We found, however, that the characteristics of dislocated workers enrolled in title III projects were significantly different from the characteristics of economically disadvantaged individuals served by the JTPA title IIA program. Title III participants were more often male, and nonminorities, who were older and better educated than title IIA participants.

Further analysis of participant characteristics showed significant differences between those in title III projects and the characteristics of the general population of dislocated workers as identified by BLS from the January 1984 Current Population Survey. Of particular note is that participation by dislocated workers 55 years of age or older and those with less than a high school education—two groups of workers that may experience the most difficulty in reentering the job market—was less in title III projects than their representation in the general population of dislocated workers identified by BLS. While we did not have sufficient data to determine why these groups had a lower representation in title III projects, we did identify several factors—such as type of project operator, focus of project, type of training provided, and whether the project screened applicants—that were associated with the participation levels of these two groups.

Title III Participant Characteristics

Overall, title III projects responding to our questionnaire had enrolled over 170,000 dislocated workers through March 31, 1985. Our analysis of participant characteristics focused on the 121,000 enrolled during the most recent 9 months of activity for the projects in our survey.[1]

Participants were predominately white, male, and of prime working age (22 to 44), with at least a high school education. Over half were unemployed for 3 months or more and were receiving UI benefits. While they came from a variety of industries, most participants (60 percent) came from the manufacturing sector. (See figs. 3.1 and 3.2.)

[1]The number of participants in our analysis differs from Labor's Job Training Longitudinal Survey because the JTLS data were based on the fixed period July 1, 1984, through March 31, 1985, while our data were based on the most recent 9 months of project activity from the start of JTPA through March 31, 1985. The participant characteristics we identified matched those identified by JTLS, as shown in appendix IV.

Figure 3.1: Title III Participant Characteristics

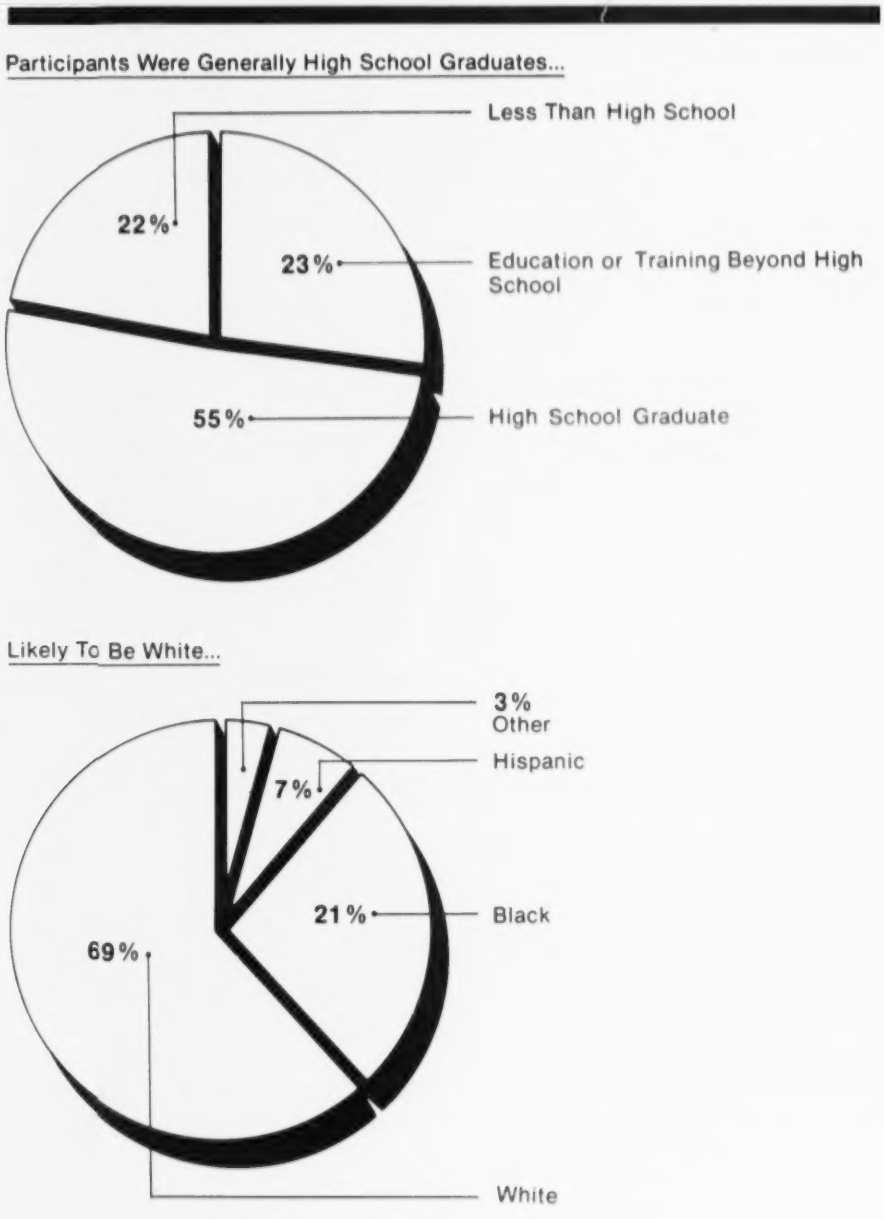
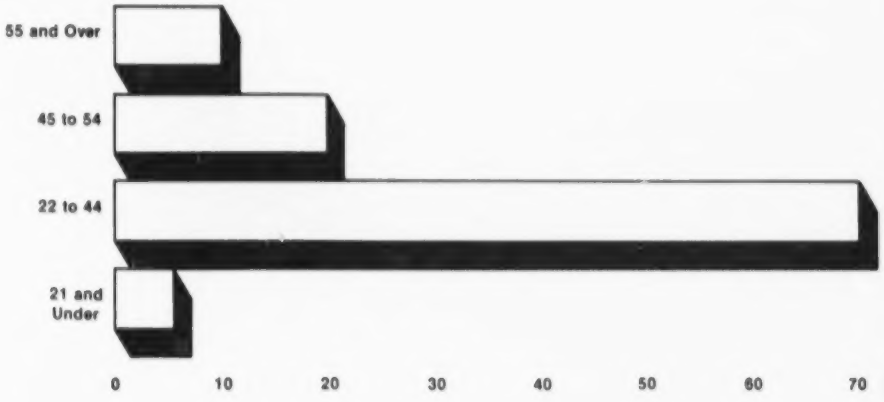


Figure 3.2: Title III Participant Characteristics

Between 22-44 Years Old...



And From The Manufacturing Sector...

Manufacturing	60%
Services	9%
Mining	7%
Contract Construction	6%
Retail Trade	5%
Transportation/Communication/Utilities	4%
Other	9%

A comparison of the characteristics of title III participants and title IIA participants showed that, in addition to the expected differences in work history, there were several other differences between the two groups. The most significant difference was in age, the title III participants being generally older. About 40 percent of the title IIA participants were 21 years of age or younger compared to 4 percent of the title III participants. There were also significant differences in the educational level of the participants as well as in the percentage of nonminorities and the percentage of males. Table 3.1 shows the differences in participant characteristics for title IIA and title III.

Table 3.1: Comparison of Participants' Characteristics for Titles III and IIA

	Percent of program participants	
	Title III	Title IIA[a]
Age:		
21 and under	4	40
22-44	69	53
45-54	19	4
55 and over	8	3
Educational level:		
Less than high school	22	39
High school graduate or more	78	61
Gender:		
Males	60	48
Females	40	52
Race:		
White	69	54
Minorities	31	46

[a]Source: U.S. Department of Labor, Job Training Longitudinal Survey, August 1985.

Older and Less Educated Dislocated Workers Had Lower Representation in Title III Projects

A comparison of the title III participants' characteristics identified in our analysis with those of the general population of dislocated workers identified in the BLS analysis showed significant differences in their demographic characteristics. Specifically, workers 55 years of age and older and those with less than a high school education had a lower representation in the title III projects, while females and minorities had higher representation. While all of these groups have experienced difficulty finding reemployment, our analysis focused on those who had lower representation in title III projects—specifically those age 55 and older and those with less than a high school education. The lower representation of these two groups in title III projects is of particular concern, in our opinion, because older and less educated workers experienced more difficulty in finding new employment. For example, BLS reported that less than half of the older dislocated workers were employed at the time of its survey. In contrast, 72 percent of younger dislocated workers had found new employment.

The January 1984 supplement to CPS was conducted by the Bureau of the Census for BLS to gather data on employment and unemployment of dislocated workers. BLS identified 1.3 million dislocated workers who were not working and were seeking employment in January 1984—the

same time frame during which most of the title III projects in our analysis were operating. As shown in table 3.2, of the 1.3 million dislocated workers in the BLS analysis, about 20 percent were 55 years of age and older. In contrast, about 8 percent of the workers enrolled by title III were in this age group. The BLS analysis also showed that 32 percent of the dislocated workers had less than a high school education, while 22 percent of the title III enrollees were in this category.

Table 3.2: Comparison of Dislocated Worker Characteristics

Figures in percents

	Title III participants	Unemployed dislocated workers as of January 1984[a]
Age:		
Under age 55	92	80
Age 55 and over	8	20
Education:		
Less than high school	22	32
High school graduate or more	78	68
Gender:		
Males	60	69
Females	40	31
Race:[b]		
White	69	79
Minorities	31	21

[a]From the supplement to the January 1984 CPS.

[b]Hispanics are included as minorities in title III statistics, but in the CPS data, they may be included in the totals for either race.

Further analysis also showed that most individual title III projects served relatively few dislocated workers that were 55 years of age or older or who had less than a high school education. As shown in figure 3.3, only about 8 percent of the title III projects served the same percentage or more of older workers as was found in the CPS (20 percent). However, about 24 percent of the projects did not serve any participants who were 55 years of age or older and over two-thirds of the projects served less than the average number of older workers served overall (8 percent). Similarly, about 18 percent of the projects served the same percentage or more of workers with less than a high school education as was found in the CPS (32 percent). In contrast, over two-thirds of the projects served less than the average number of less educated workers served overall (22 percent). (See fig. 3.4.)

Figure 3.3: Older Worker Representation in Title III Projects

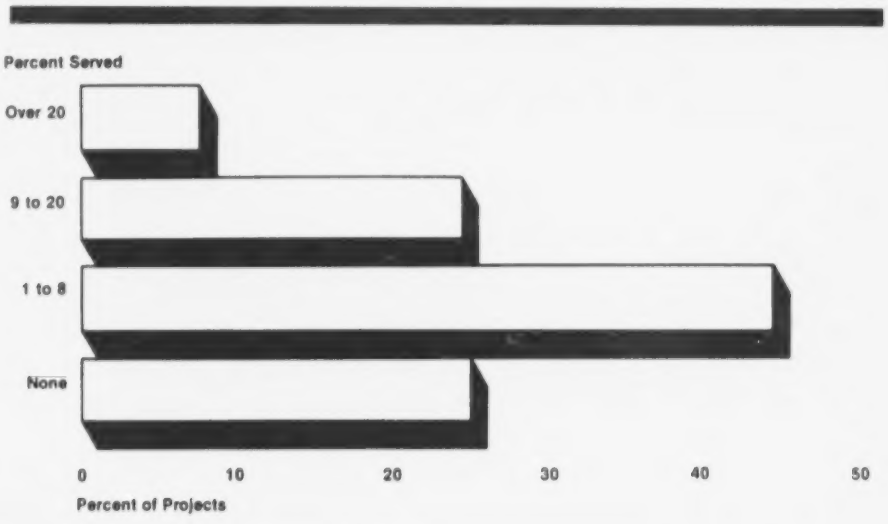
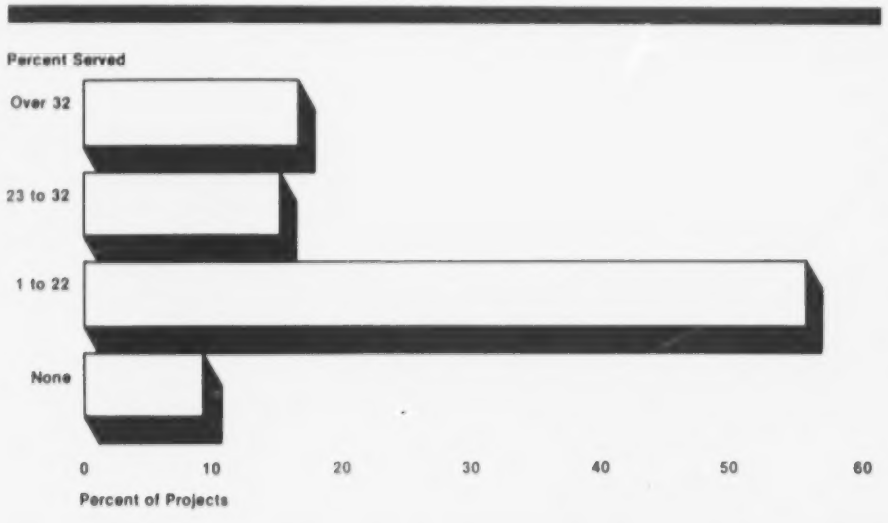


Figure 3.4: Less Educated Worker Representation in Title III Projects



Project Variations May Influence Participation Levels

Several factors appear to influence the level of participation of dislocated workers 55 years of age or older or those with less than a high school education. Our analysis of project level data (see table 3.3) showed that participation levels were

- higher for older workers but lower for less educated workers when projects were employer/union operated,

- lower for older workers and lower for less educated workers when projects were operated by educational institutions,
- higher for older workers and higher for less educated workers when projects focused on specific populations or events,
- lower for older workers and higher for less educated workers when projects had linkages to specific job openings,
- lower for older workers and lower for less educated workers when projects provided remedial or classroom training to large percentages of participants, and
- higher for older workers and higher for less educated workers when projects enrolled all applicants (as opposed to projects where enrollees were screened).

Table 3.3: Projects With Lower and Higher Than Average Representation of Older and Less Educated Dislocated Workers

Figures in percents

Project characteristic	Older worker representation		Less educated worker representation	
	Lower than average	Higher than average	Lower than average	Higher than average
All projects	68	32	67	33
Project operator:				
Employer/union	60	40	78	22
Public	67	33	58	42
SDA-PIC	66	34	68	32
Educational institution	73	27	71	29
Focused on specific population or event:				
Yes	54	46	51	49
No	73	27	70	30
Job linkage:				
Yes	81	19	56	44
No	75	25	78	22
Extent of remedial training provided:				
High	94	6	73	27
Medium	66	34	44	56
Low	67	33	69	31
Extent of classroom training provided:				
High	83	17	76	24
Medium	63	37	66	34
Low	60	40	63	37
Enrolled all applicants:				
No	76	24	71	29
Yes	58	42	63	37

The lower representation of workers age 55 and older and those with less than a high school education among title III participants has many possible explanations. During our follow-up telephone interviews, project officials suggested the following reasons for the low representation of such workers in title III projects:

- Older or less educated dislocated workers may be apprehensive about participating in remedial or classroom training activities.
- Applicants may not meet the minimum qualifications to take advantage of the training activities.
- Dislocated workers may be screened out by projects because they have less potential for reemployment.
- Older workers may have received assistance from other programs, such as the JTPA older worker set-aside.

Our analysis showed that projects operated by educational institutions and those with high levels of participation in remedial and classroom training had rates of participation for both dislocated workers age 55 or older and those with less than a high school education below the overall averages for these groups. Project officials told us that dislocated workers who have had difficulty in a classroom environment or who had been away from a classroom setting for some time were apprehensive about participating in such projects.

Another possible explanation for the lower representation of older and less educated dislocated workers is that these workers may lack the minimum qualifications to take advantage of the training activities available. Some projects required applicants to possess basic math skills or communications skills as a prerequisite for enrollment in their projects. Project applicants who did not meet these minimum qualifications were not accepted into these projects.

Older and less educated dislocated workers may also have lower representation in some projects because project officials consider applicants from these groups to be less employable. About 55 percent of the projects reported that, at least to some extent, their selection of participants was influenced by the applicant's potential for placement. Project officials told us that, based on their experience, employers were reluctant to hire workers over age 55 or those with less than a high school education.

Program administrators also suggested that older workers may be receiving assistance from other programs, such as those funded under

the JTPA older workers set-aside. As a result, some older dislocated workers who were receiving assistance may not have been included in our analysis.

Conclusion

While many dislocated workers are able to reenter the labor market and become reemployed, those who are older, less educated, women, or minorities have experienced the most difficulty in obtaining reemployment. Our comparison of JTPA title III dislocated worker program participant characteristics with the characteristics of the general population of dislocated workers identified by BLS, however, showed that older and less educated workers have a somewhat lower representation in the title III program. Several reasons for the lower representation of these groups have been offered by program officials; however, a better understanding of this problem is needed to develop appropriate strategies for increasing the participation of these groups in title III.

Recommendation to the Secretary of Labor

We recommend that the Secretary work with state and local officials to identify the reasons for the lower representation of older and less educated dislocated workers in the JTPA title III program, then develop strategies to obtain greater program participation by these workers.

Agency Comments and Our Evaluation

The Department of Labor concurred with our recommendation but believed that, by and large, the states are conducting sufficient outreach to contact older and less educated dislocated workers. Nevertheless, Labor said it would bring the concern about services to older workers to the attention of the system and urge program operators to continue to make every effort to provide maximum services to this group. Labor contends that the reasons for the lower representation of these groups in title III are known and include the possible explanations cited in our report. Additionally, for older workers, Labor believes that the desire to retire or obtain only part-time or intermittent work contributes to their lower representation. Labor cites the experience from the JTPA section 124 "3 percent" older worker program as evidence of this belief.

Our conclusion regarding the lower representation of older workers was based on an analysis of unemployed dislocated workers seeking reemployment. Therefore, our conclusion is not affected by the proportion of older workers who retire or who are not seeking work. In addition,

JTPA's older worker program is restricted to the economically disadvantaged, not necessarily the same population served by title III. Therefore, the experience from the older worker program may not be applicable to the title III program.

Project Activities

In responding to our questionnaire, title III project officials identified a wide variety of training, job placement, and support service activities that they offered to title III participants to help them return to work. Generally, the training activities were categorized into three forms—remedial, classroom skill training, and OJT. The placement assistance consisted primarily of counseling, training in job search techniques, and job referrals, while the support services offered most frequently were assistance with transportation and child care.

While most title III projects said they offered a broad mix of activities, we found that relatively few participants received training or support services. In contrast, nearly all participants received some form of placement assistance. When training was provided, the training period was relatively short and the training approach (classroom or OJT) generally depended on the organization operating the project. For example, 77 percent of the projects operated by educational institutions put a heavy emphasis on classroom training, while only 9 percent emphasized OJT. Project characteristics—such as the organization operating the project, the extent of linkage to specific job openings, and project size—also appeared to influence the extent to which participants were provided placement assistance and support services.

Few Participants Received Training or Support Services

Officials from 94 percent of the title III projects advised us that training was available to their participants; however, less than half the participants received training and less than a quarter received support services. In contrast, 84 percent of the projects offered their participants job placement assistance. Over 80 percent of the participants received job counseling and over 60 percent received job search assistance. Table 4.1 shows the basic forms of title III assistance and the percentage of participants that received each form of assistance.

Remedial Training

Although the majority of dislocated workers are high school graduates, 32 percent were high school dropouts, according to BLS. Other researchers have identified the need for remedial education in basic skills, such as reading, mathematics, and oral or written communication, as important to facilitate the reemployment of many dislocated

workers.[1] However, less than a third of the projects offered their participants remedial training, and only about 6 percent of the title III participants actually received remedial training, raising the question of whether title III projects are providing adequate remedial training.

Table 4.1: Title III Activities

Activity	Description	Median length	Percent of projects offering	Percent of participants receiving
Training:				
Remedial	Basic skill training	2 weeks	30	6
Classroom	New job skills	9 weeks	77	26
OJT	New job skills in work environment	15 weeks	69	16
Placement assistance:				
Job counseling	Orientation, assessment, and identification of employment options	Ongoing	84	84
Job search	Enhance job search skills or job referral	No fixed time frame—44%; 2 weeks or more—35%; less than 2 weeks—21%	84	66
Support services	Assist participants while enrolled in title III		67	23

When remedial training was offered to title III participants, the training period was usually short. The median length was about 2 weeks. For the most part, remedial training was offered as a part of more extensive training efforts. Of the projects offering remedial training, 130 (or 76 percent) offered such training as an addition to classroom or OJT. For example, in one state, vocational training courses offered to dislocated workers typically include a brush-up in mathematics and reading at the beginning of the course.

[1]In its February 1986 report, OTA found that, in some instances, 20 percent or more of dislocated workers require remedial education before they are considered to be available for placement assistance or retraining.

Classroom Skill Training

The purpose of classroom skill training is to give dislocated workers new job skills or to enhance their existing skills. While about three quarters of the projects offered participants classroom skill training, only about a quarter of the participants actually received such training. For the most part, title III projects use classroom training programs available through existing institutions, such as community colleges or vocational training centers, rather than developing specific courses for project participants. Examples of classroom skill training offered by title III projects are shown in table 4.2.

Table 4.2: Examples of Classroom Training Offered in Title III Projects

Aircraft mechanical operations	Golf course mechanic.
Airline attendant.	Health and medicine.
Air-conditioning and heating mechanic.	Heavy equipment operator.
Asbestos handler.	Hotel-motel manager.
Auto mechanic.	Industrial maintenance.
Bank teller.	Industrial sewing.
Boat building.	Institutional attendant.
Bookkeeper.	Iron pourer.
Cabinet maker.	Lab technician.
Cable splicing.	Landscaping.
Carpentry.	Machine tool and die.
Casino worker.	Machinist.
Chemical operator.	Mechanical, electrical engineer.
Clerical and office work.	Office machine service.
Computer repair, maintenance.	Printing and publishing.
Construction.	Real estate.
Culinary arts.	Retail trade.
Data processor.	Security guards.
Day-care worker.	Statistical process control.
Drafting.	Telephone technician.
Diesel mechanic.	Truck driving.
Electronics.	Tourism occupations.
Energy conservation work.	Upholsterer.
Fisherman.	Welding.
	Xerox technician.

The most frequent classroom training was in clerical skills. Of the projects offering classroom training, over 60 percent of the projects offered clerical training. Other categories of classroom training that were frequently available include equipment or machine operation (55 percent), technical paraprofessions, such as medical technician (52 percent), and skilled craftsmen or tradesmen (48 percent).

Overall, the training period for classroom training was more extensive than for remedial training. The median training period for classroom programs was 9 weeks, although about a third of the classroom programs lasted for 5 weeks or less. The length of classroom programs is shown in table 4.3.

Table 4.3: Length of Classroom Training

Range of weeks	Percent of projects
5 weeks or less	32
6-9	19
10-20	30
Over 20	19

On-the-Job Training

The purpose of OJT is to give title III participants new job skills while they are working. It is a popular training form with both workers and employers because it helps participants get back to work as soon as possible and it gives employers a temporary wage subsidy (usually about 50 percent) while participants are in the program. However, we found that while two-thirds of the projects made OJT available to some of their participants, only about 16 percent of title III participants actually received such training.

When OJT is provided, the job skills emphasized are similar to those of classroom training. As shown in table 4.4, more than half the projects offering OJT provided it for such job openings as equipment or machine operators; clerical or office workers; skilled craftsmen, foremen, or tradesmen; and service workers.

Table 4.4: On-the-Job Training Provided

Training	Percent of projects offering OJT
Semiskilled (equipment or machine operator, etc.)	83
Clerical or office worker	64
Skilled craftsman, foreman, or tradesman	60
Service worker	55
Technical (paraprofessional, medical technician, etc.)	42
Sales	41
Unskilled (laborer, etc.)	30
Manager and administrator	29

The median length of OJT was about 15 weeks. However, over 20 percent of the OJT programs ran for 10 weeks or less. Table 4.5 shows the variations in the length of OJT periods.

Table 4.5: Length of On-the-Job Training

Range of weeks	Percent of projects
10 weeks or less	21
11-15	29
16-20	28
Over 20	22

Job Placement Assistance

Most projects offered their participants job placement assistance in the form of job counseling and training in job search techniques. Of the 563 projects in our analysis, about 92 percent offered either job counseling or job search assistance. We found that 84 percent of the participants received job counseling and 66 percent received job search assistance. Job counseling usually consisted of testing and assessing job skills, assessing occupational interests, and giving participants the opportunity to discuss their concerns and problems.

For example, in one project each participant was asked to meet with a counselor at least once. During that meeting the counselor assessed the potential skill levels of the participant as well as the participant's job interests. At this session the counselor also determined whether the participant's expectations were realistic and whether the participant was adjusting to the dislocation and was coping adequately. In addition, the counselor determined whether the participant needed any additional counseling. If the counselor deemed it appropriate, the participant was referred to a specialist for further help.

Job search assistance takes several forms but generally includes (1) training to improve participant interviewing techniques, resume writing, and other skills that would enhance the participant's effectiveness in searching for a new job; (2) assistance in preparing a resume for specific job openings; and (3) the identification of specific openings and referrals to those openings. In one project, the job search assistance training was a 1-week (40-hour) program in which 15 to 20 participants attended classes that included group discussions, role playing, and actual practice in preparing resumes or job applications. After the training was completed, the staff worked individually with participants to identify specific job openings and help the participant prepare for interviews and prepare resumes. Depending on the participant's success in finding another job, the job referral and assistance provided to a participant could go on over a period of several months, or as long as necessary to get the participant placed.

Support Services

Support services help persons participate in title III training activities. While about two-thirds of the projects said that support services were available, we found that less than a quarter of the participants actually received support services. Even for those receiving support services, the amount of assistance was limited. For the most part, JTPA programs, including title III, tend to discourage direct stipends for participants. The most common assistance provided was help with transportation to and from training. As shown in table 4.6, over three quarters of the projects offered some participants transportation assistance. This assistance was generally reimbursements for mileage or public transportation tokens. Other assistance, such as child care, was also provided through reimbursements, while counseling services, health care assistance, and legal assistance were generally provided through referrals to organizations that provided such services at no cost to the participants.

Table 4.6: Support Services Offered

Support service	Percent of projects offering the services
Transportation	80
Child care	48
Personal or financial counseling	40
Subsistence payments	26
Health care assistance	24
Legal assistance	5

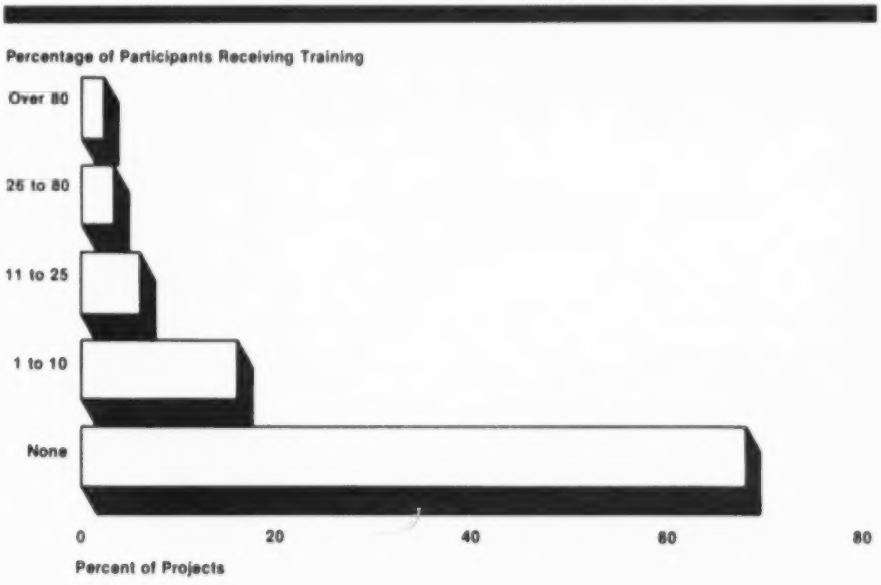
Assistance Emphasized by Projects Varied

Further analysis of title III project activities showed that the percentage of participants enrolled in a specific activity varied depending on the project's characteristics. Although we could not determine whether the activities were needed by those not receiving them, the extreme variance in emphasis between projects suggests that project characteristics, such as the operator, the extent of linkage with job openings, the focus on a specific population or event, or the project size, may influence the assistance provided to participants.

Differences in Emphasis on Training

Despite concerns that training is needed to improve basic skills or develop new job skills, the percentage of participants receiving training varied considerably from project to project. For example, while overall about 6 percent of the participants received remedial training, as shown in figure 4.1, 68 percent of the projects did not provide remedial training to any participants. In contrast, 8 percent of the projects provided remedial training to over 25 percent of their participants.

Figure 4.1: Remedial Training Participation Levels in Title III Projects



Similar variations were found in other forms of training. More participants received classroom training (overall about 26 percent); however, as shown in figure 4.2, 22 percent did not provide classroom training to any participants. On the other hand, 29 percent of the projects provided classroom training to over 80 percent of their participants. We also found considerable variation in the level of participation for OJT. (See fig. 4.3.) About 33 percent of the projects did not provide OJT to any participants. In contrast, 16 percent of the projects provided OJT to over 80 percent of their participants.

Figure 4.2: Classroom Training Participation Levels in Title III Projects

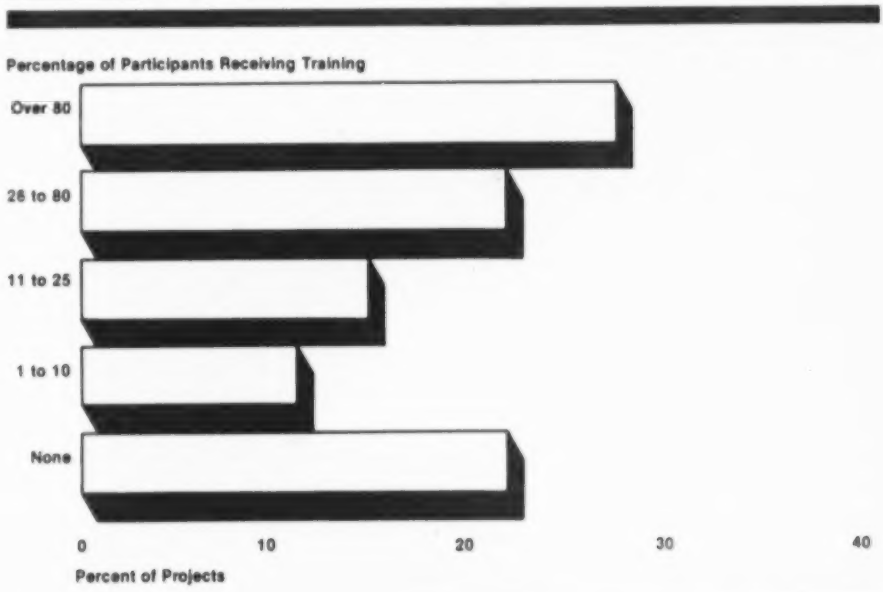
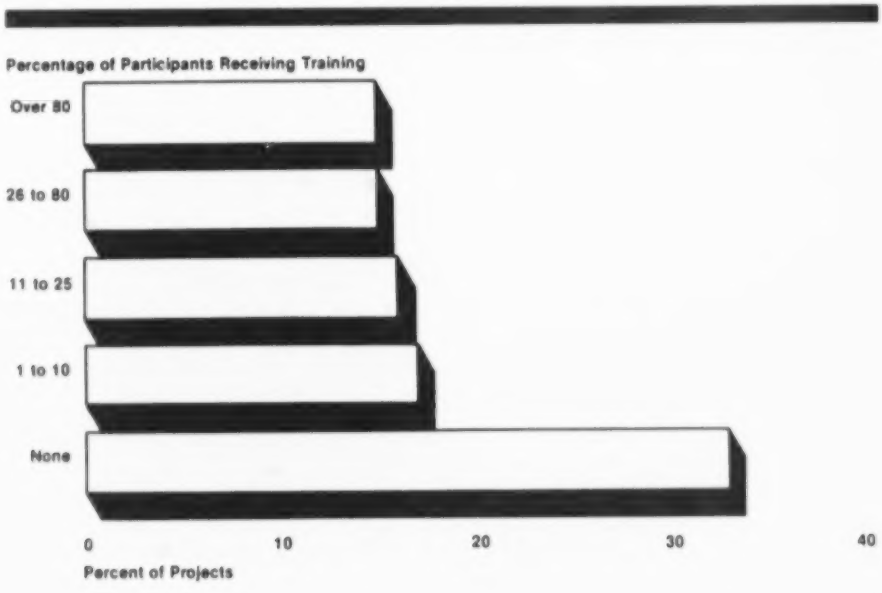


Figure 4.3: On-the-Job Training Participation Levels in Title III Projects



These differences in emphasis appear to be related to project characteristics, such as project operator, linkage to potential job openings, and

project size. For example, as shown in table 4.7, projects with linkage[2] to specific job openings were more likely to emphasize OJT, while projects without job linkage were more likely to emphasize classroom training. Similarly, projects operated by educational institutions were more likely to emphasize classroom training than other project operators, but rarely did educational institutions emphasize OJT.

Table 4.7: Differences in Training Participation Levels

	Percent of projects[a]					
	Remedial		Classroom		OJT	
Project characteristic	Greater emphasis	Lesser emphasis	Greater emphasis	Lesser emphasis	Greater emphasis	Lesser emphasis
All projects	8	92	51	49	32	68
Project operator:						
Employer/union	4	96	44	56	34	66
Public	12	88	43	57	33	67
SDA-PIC	5	95	39	61	51	49
Educational institution	11	89	77	23	9	91
Focused on specific population or event:						
Yes	9	91	49	51	35	65
No	7	93	52	48	29	71
Job linkage:						
Yes	5	95	23	77	84	16
No	11	89	66	34	20	80
Project size:						
Small	11	89	58	42	44	56
Medium	8	92	58	42	28	72
Large	5	95	34	66	21	79

[a]Since few projects provided any form of training to more than half of their participants, we defined greater emphasis as providing the training to 26 percent or more of the participants and lesser emphasis as providing the training to 25 percent or fewer of the participants.

One possible explanation for the positive relationship between OJT and job linkage is that job linkage by definition implies the early identification of job opportunities. Employers with specific job openings are often more interested in making the training specifically related to their job openings through OJT rather than through the classroom approach.

An explanation for differences in emphasis by project operators may be that the special skills or expertise of operators lead them to specific activities. For example, the high level of participation in classroom training for projects operated by educational institutions should not be

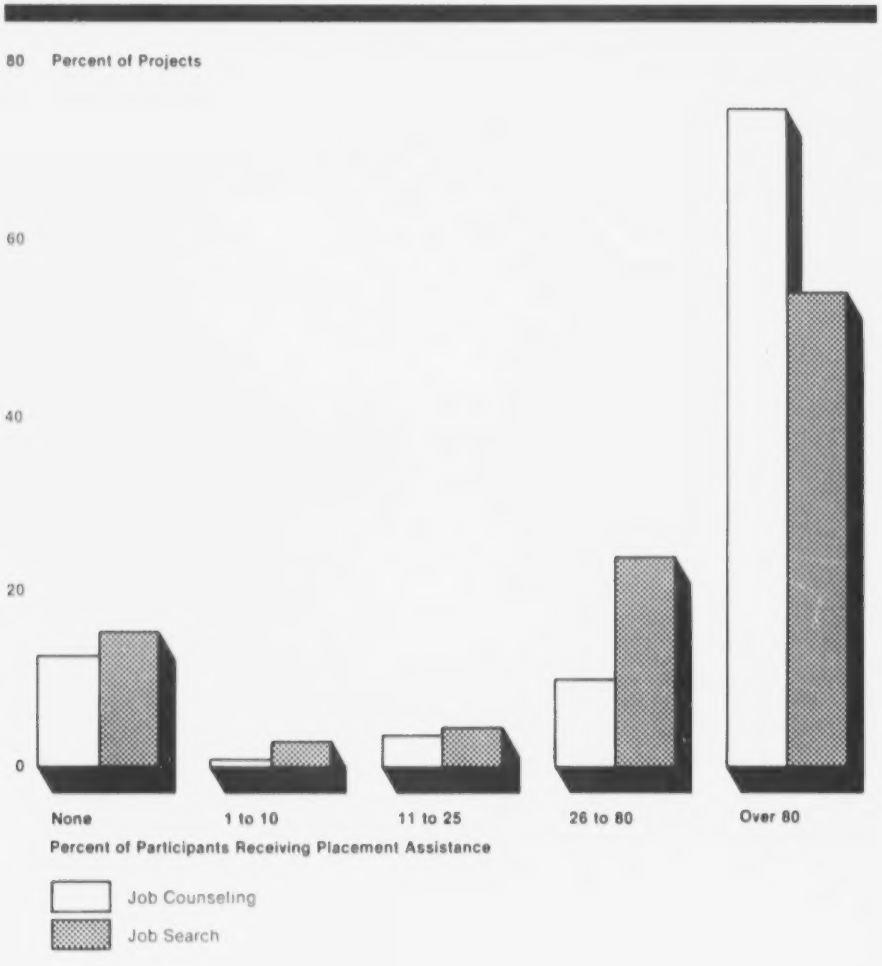
[2]As discussed in chapter 2, job linkage indicates that a project identified job openings before project participants were selected. In some cases, potential employers helped select participants.

surprising considering that is the focus of educational institutions in general. A project operated by a vocational training center, for instance, established classroom facilities that would teach participants word processing even before the participants were enrolled in the project.

Most Projects Stressed Placement Assistance

Almost three quarters of the title III projects provided over 80 percent of their participants job counseling, and over half provided 80 percent or more of their participants job search assistance. However, 12 percent of the projects provided no job counseling, and 16 percent provided no job search assistance. Participation levels for job placement activities are shown in figure 4.4.

Figure 4.4: Job Placement Assistance Participation Levels in Title III Projects



Our analysis also showed that the differences in emphasis on placement assistance appear to be related to project characteristics, such as job linkage and project operator. As shown in table 4.8, projects without linkage to specific job openings were more likely to emphasize job counseling and job search assistance than projects with job linkage. Similarly, title III projects operated by public organizations, such as community-based organizations, state and local agencies, and the employment service, as well as those operated by educational institutions, were more likely to emphasize job search assistance than projects operated by SDA-PICs or employers, unions, or employer-union combinations.

Table 4.8: Differences in Placement Assistance Participation Levels

	Percent of projects[a]			
	Job counseling		Job search	
Project characteristic	Greater emphasis	Lesser emphasis	Greater emphasis	Lesser emphasis
All projects	75	25	58	42
Project operator:				
Employer/union	70	30	56	44
Public	76	24	65	35
SDA-PIC	78	22	46	54
Educational institution	70	30	60	40
Focused on specific population or event:				
Yes	74	26	59	41
No	75	25	52	48
Job linkage:				
Yes	58	42	37	63
No	76	24	62	38
Project size:				
Small	73	27	61	39
Medium	77	23	54	46
Large	76	24	58	42

[a]Since most projects provided placement assistance to more than half their project participants, we defined greater emphasis as providing the specified placement assistance to 76 percent or more of project participants and lesser emphasis as providing the specified assistance to 75 percent or fewer of project participants.

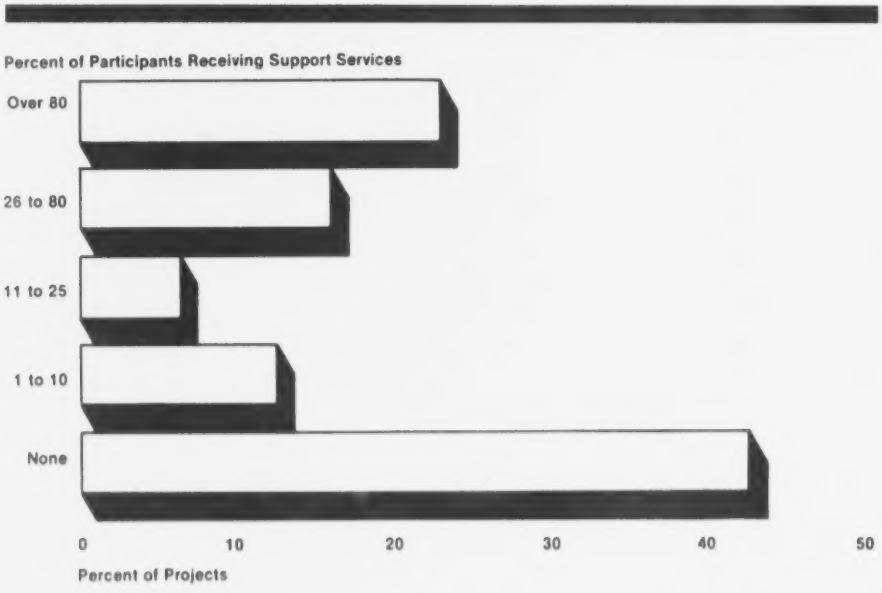
The explanation for the lower emphasis on job placement assistance by projects with linkages to specific job openings is relatively simple. When project participants already have a link to a specific job opening, there is little need to develop job search techniques. This is also true if the project operator is the prospective employer. For example, in a project where the future employer selects the project participants, provides the

classroom training, and provides OJT for specific job openings, project participants do not need placement assistance.

Few Participants Receive Support Services

As noted earlier, many projects offered support services, but less than a quarter of the title III participants received them. As shown in figure 4.5, more than half of the projects provided support services to 10 percent or less of their participants.

Figure 4.5: Support Services Participation Levels in Title III Projects



Our analysis of the differences in emphasis on support services showed that project characteristics, such as job linkage and project operator, appeared to influence the percentage of participants who were provided support services, such as assistance with transportation or child care costs. As shown in table 4.9, projects with job linkage were less likely to provide participants support services than projects without job linkage. In addition, projects operated by employers, unions, or employer-union combinations were less likely to provide support services than projects operated by other organizations, especially educational institutions.

Table 4.9: Differences in Support Services Participation Levels

Project characteristic	Percent of projects[a]	
	Greater emphasis on support services	Lesser emphasis on support services
All projects	39	61
Project operator:		
Employer/union	24	76
Public	39	61
SDA-PIC	39	61
Educational institution	43	57
Focused on specific population or event:		
Yes	37	63
No	33	67
Job linkage:		
Yes	14	86
No	53	47
Project size:		
Small	42	58
Medium	36	64
Large	38	62

[a]Since few projects provided support services to more than half their project participants, we defined greater emphasis as providing these services to 26 percent or more of project participants and lesser emphasis as providing support services to 25 percent or fewer of project participants.

One possible reason for the limited use of support services by projects with employer/union operators is that, because these projects often provide participants OJT that gives the participants income, support services may be less necessary. In contrast, educational institutions usually provide participant classroom training, which does not give participants income support. To enable these participants to attend classroom training, they may need to give a higher percentage of participants assistance with transportation or child care costs.

Project Outcomes

The primary objective of the title III program is to help dislocated workers return to work. Thus, the indicators of project success are the number of workers finding jobs and the wages they earn. Most title III projects reported high placement rates (more than a third of the projects reported placement rates over 80 percent), with most participants finding jobs in different occupations or industries (over 70 percent changed occupations and 60 percent changed industries). However, many jobs had relatively low wage levels (28 percent of the projects reported average placement wages of $5 per hour or less).

Analysis of these outcomes showed results that vary considerably from project to project, with certain project characteristics associated with much higher job placement rates or average wage levels than others. The project characteristics that were generally associated with higher placement rates, however, were also associated with lower average wage levels and vice versa. These characteristics include

- project operator,
- whether assistance is focused on specific closures or layoffs,
- linkage with specific job openings, and
- training approach emphasized.

Job Placement Rates and Wage Levels

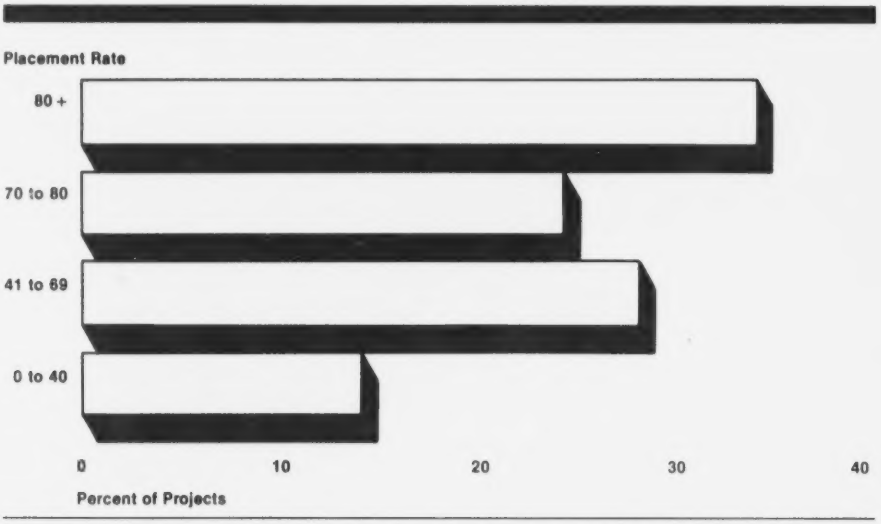
Overall, the average reported placement rate for title III projects was 69 percent. Based on a survey of state level data, OTA reported that for the period October 1983 through June 1984, of the 36 states setting expectations for title III participants entering employment, 30 had exceeded their standard. The title III placement rate was also higher than the placement rates experienced in other federally sponsored employment and training programs. For example, the Work Incentive program—which served primarily economically disadvantaged workers—reported that about 36 percent of active participants found jobs during fiscal year 1980, and the average placement rate for CETA participants was about 42 percent for fiscal year 1982, the last year of the program.

The average entry-level wage reported for the jobs found by title III participants was $6.61 per hour, which was significantly higher than the $4.61 average hourly wage that JTPA title IIA participants earned when they entered employment. However, it was generally lower than their prior wage and considerably below the private sector average hourly

wage of $8.52 for nonsupervisory workers in the United States.[1] Over half of the projects in our analysis reported that participants generally went to jobs that paid less than their previous jobs. In addition, OTA reported that of the 30 states that collected wage data, 19 reported lower reemployment wages.

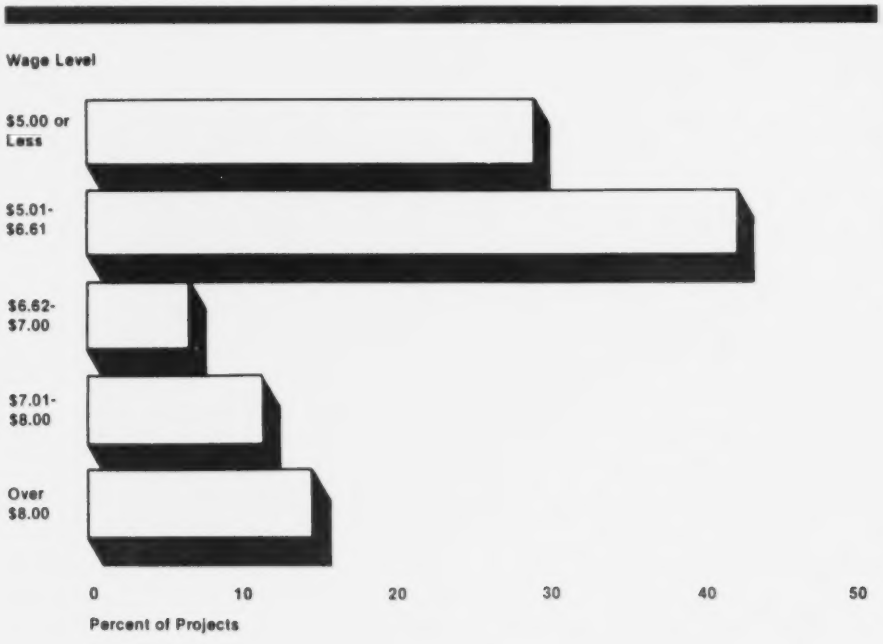
Substantial variations in placement and wage levels occurred among projects. As shown in figure 5.1, over half (58 percent) of the title III projects reported placement rates that exceeded the 69-percent average, while 14 percent had placement rates below 40 percent. Over two-thirds of the projects reported estimated wage levels at or below the overall average of $6.61. (See fig. 5.2.)

Figure 5.1: Placement Rates for Title III Projects



[1]As of March 1985, the cut-off date used for our analysis, BLS reported that nationally the private sector average hourly wage was $8.52. While the national hourly wage provides some basis for comparison to the title III average starting wage, it includes higher wages received by senior employees as well as lower entry-level wages.

Figure 5.2: Wage Levels for Title III Projects



Jobs Found

Most title III participants returning to work are going into occupations and industries different from the jobs they lost. For example, in one project, assembly workers from the auto industry were trained and placed in positions as sales managers in the auto parts department for a discount department store chain. Overall, an estimated 73 percent went to different occupations and 61 percent went to different industries (see figs. 5.3 and 5.4).

The percentage of participants getting jobs in different occupations varied from project to project. (See fig. 5.5.) For example, 39 percent of the projects placed over 90 percent of their participants in different occupations, while 10 percent placed 25 percent or less in different occupations. As shown in figure 5.6, a wide variation between projects also existed with regard to placing participants in different industries.

Figure 5.3: Percent of Title III Placements Changing Occupation

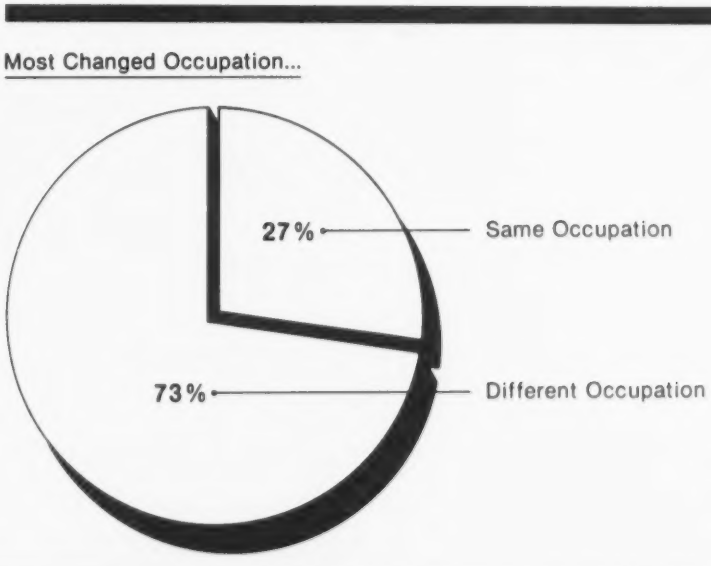


Figure 5.4: Percent of Title III Placements Changing Industry

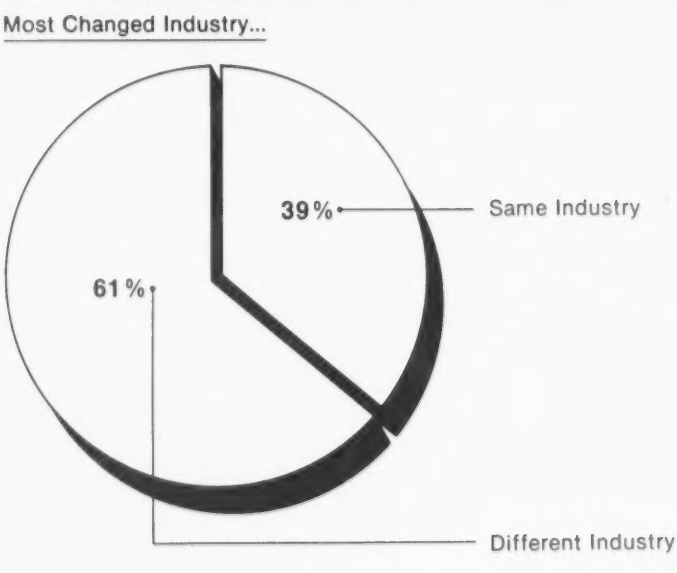


Figure 5.5: Percent of Participants Finding Jobs in Different Occupations

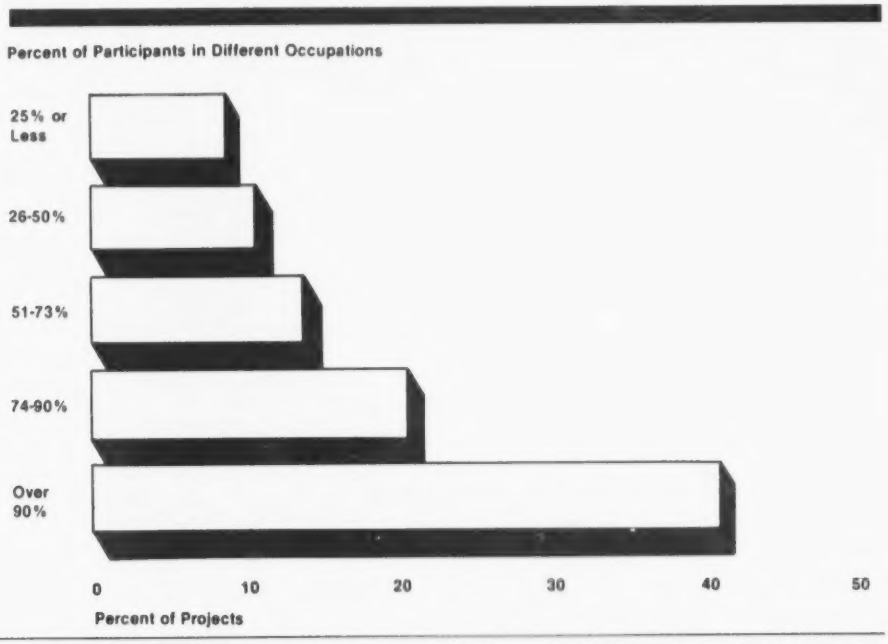
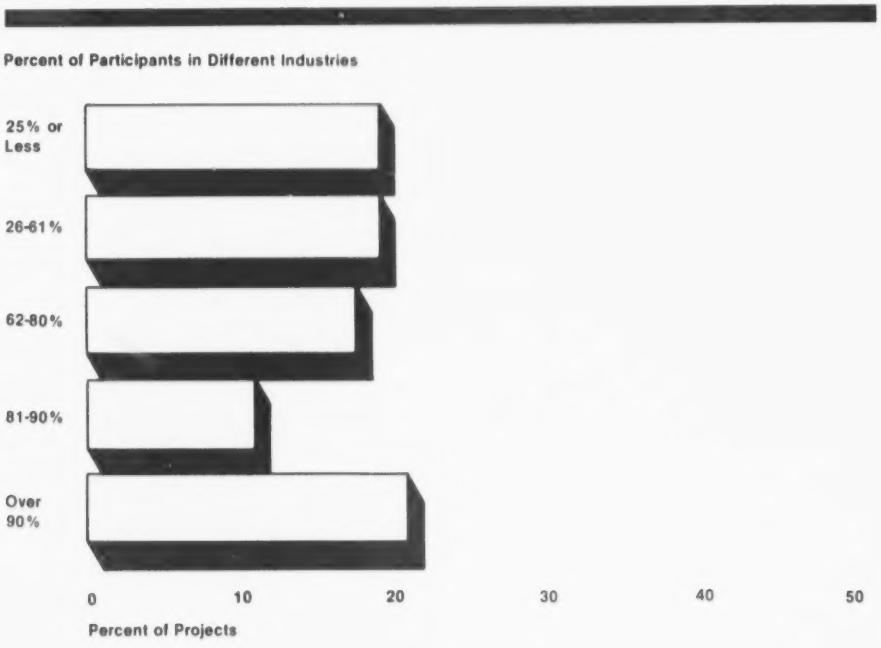
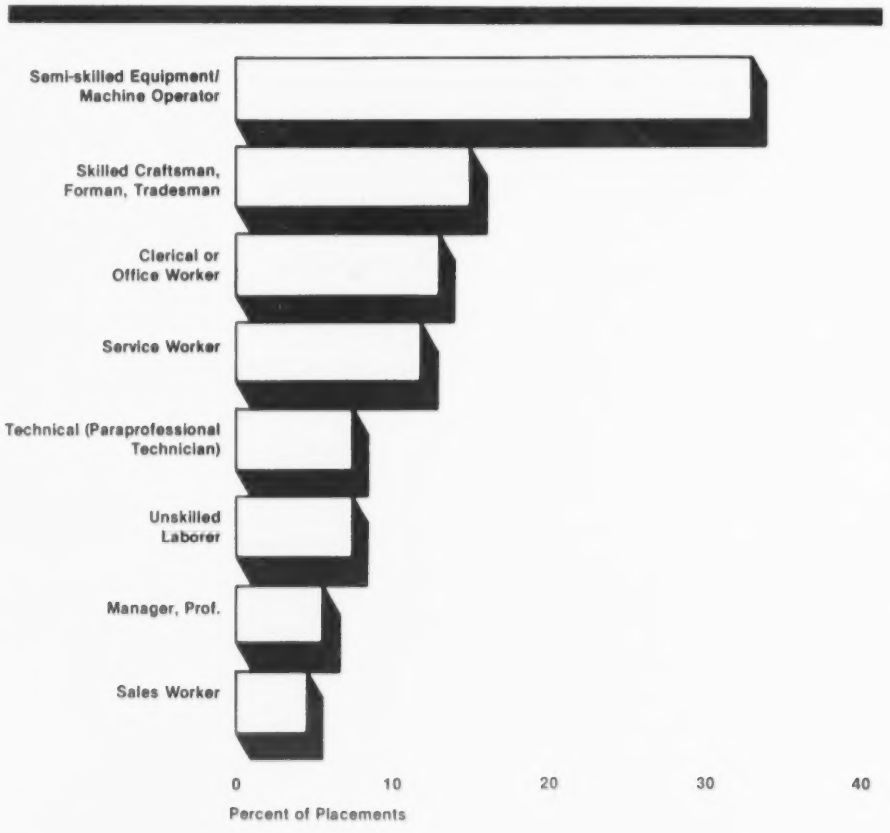


Figure 5.6: Percent of Participants Finding Jobs in Different Industries



Title III projects reported that their participants found jobs in a variety of skills and occupations. The most frequent occupations obtained were semiskilled equipment or machine operators; skilled craftsmen, foremen, or tradesmen; clerical or office workers; and service workers. (See fig. 5.7.)

Figure 5.7: Occupations in Which Title III Participants Found Jobs



Factors That May Have Influenced Project Outcomes

Our analysis of project-level data suggests that project characteristics, such as as project operator, whether assistance is focused on a specific closing or layoff, the linkage with specific job openings, or the training approach emphasized, were generally associated with differences in average placement rates and average wage levels. However, project characteristics that were associated with higher average placement rates were also generally associated with lower average wage levels. For example, projects that were not focused on a specific population or closure reported a higher average placement rate but an average wage level of $5.91 compared to $7.03 for projects that targeted a specific population or closure to be served. Our analysis of project factors and their relationship to average placement rates and wage levels reported by projects are summarized in table 5.1 and then discussed individually.

Table 5.1: Job Placement Rates and Wage Levels by Project Characteristic

	Average placement rate	Average wage level
All projects	69%	$6.61
Project operator:		
Employer/union	71	7.62
Public	69	5.93
SDA-PIC	66	6.70
Educational institution	70	5.88
Focused on specific population or event:		
Yes	65	7.03
No	69	5.91
Job linkage:		
Yes	78	5.44
No	68	6.24
Classroom training:		
High emphasis	66	6.66
Medium emphasis	70	6.02
Low emphasis	71	6.17
OJT:		
High emphasis	78	5.69
Medium emphasis	74	5.80
Low emphasis	66	6.52

One of the explanations offered by project officials for the higher placement rates and higher average wage levels for projects operated by employers, unions, or employer/union combination is their knowledge of the job market, contacts with other employers, and the fact that many of the specific job openings were identified in advance. For example, one employer/union project operator advised us that the project identified specific job openings before individuals were enrolled in the project. Over a quarter of the employer/union projects had job linkage compared to about 8 percent of the projects operated by educational institutions.

An explanation for lower placement rates by projects that focused assistance on specific closures or populations may be that these projects were less selective in enrolling participants. Over half of the projects that focused assistance enrolled all eligible individuals who applied. In addition, these projects frequently had higher percentages of participants who could be expected to be more difficult to place in jobs, such as those 55 years of age and older or those who had less than a high school education. As shown in table 3.3, 46 percent of the projects that focused on a specific event or population had a higher than average representation of older workers, and 49 percent had a higher than average representation of less educated workers. In contrast, only 27 percent of the projects not focused on a specific event or population had a higher than average representation of older workers, and 30 percent had a higher than average representation of less educated workers. While this may explain why focused projects had lower placement rates, it is unclear why these projects were associated with high wage levels.

Job linkage implies the early identification of job opportunities before participants were selected for the project. This early identification may result in the number of participants in the project being limited to the number of job openings identified, which could explain the high placement rates for projects with job linkage. For example, one project operator said that the 28 individuals selected for the project were guaranteed jobs on completion of training as sales managers in the auto parts departments of a discount department store chain. However, the association of job linkage with lower wage levels is less clear.

Because of the strong job ties between OJT and employment opportunities, high placement rates for projects with high participation in such training is not surprising. However, the relationship between high participation in OJT and low wage levels is less obvious.

Outcome patterns for classroom training are less pronounced than for OJT and it is unclear why wage levels show little variation for different levels of participation. However, one possible explanation for the lower percentage of high placement rates for high classroom participation may be that operators with high classroom participation were frequently educational institutions, which may not assure placement of participants at the completion of training.

Changes to Different Occupations and Industries

Our analysis shows that projects with higher participation in training activities have higher percentages of participants obtaining jobs in occupations different from those they worked in before being dislocated. (See table 5.2.) In addition, we found that those projects where a higher proportion of participants received job placement assistance had a higher proportion of their participants obtaining employment in industries different from those from which they were dislocated. One explanation for these differences is that project training provides participants with new skills, thus enabling them to move from one occupation to another. Projects that emphasized training, therefore, would be expected to have a higher proportion of the participants change occupations. By comparison, projects that emphasized placement assistance appear to have enabled participants to use their current skills and market themselves to another industry without the necessity of retraining.

Table 5.2: Comparison of Project Emphasis and Percent of Participants Entering Different Occupations or Industries

	Percent of participants					
	Going to different occupations			Going to different industries		
	40% or fewer	41-80%	Over 80%	40% or fewer	41-80%	Over 80%
Emphasis on training:						
Low	25	38	37	27	42	31
Medium	13	34	53	24	44	32
High	14	23	63	32	28	40
Emphasis on placement assistance:						
Low	6	16	78	48	22	30
Medium	17	34	49	32	36	32
High	20	29	51	25	37	38

JTPA Title III Allocations October 1982-June 1986

Dollars in thousands

State	Formula	Discretionary	Total
Alabama	$12,306.7	$5,855.3	**$18,162.0**
Alaska	988.3	500.5	**1,488.8**
Arizona	4,833.3	1,700.0	**6,533.3**
Arkansas	4,264.3	1,549.0	**5,813.3**
California	52,744.3	11,096.1	**63,840.4**
Colorado	4,193.6	1,300.0	**5,493.6**
Connecticut	3,647.3	800.0	**4,447.3**
Delaware	932.6	0	**932.6**
Florida	15,493.9	718.2	**16,212.1**
Georgia	7,634.5	1,300.0	**8,934.5**
Hawaii	1,058.8	0	**1,058.8**
Idaho	1,799.0	1,387.6	**3,186.6**
Illinois	31,361.9	10,333.9	**41,695.8**
Indiana	14,414.4	8,966.5	**23,380.9**
Iowa	5,338.7	1,637.3	**6,976.0**
Kansas	2,630.1	2,670.7	**5,300.8**
Kentucky	8,349.4	2,405.4	**10,754.8**
Louisiana	9,283.3	763.5	**10,046.8**
Maine	1,835.6	2,331.8	**4,167.4**
Maryland	6,634.2	2,490.0	**9,124.2**
Massachusetts	8,403.0	3,956.1	**12,359.1**
Michigan	33,819.4	7,735.2	**41,554.6**
Minnesota	7,102.7	5,202.5	**12,305.2**
Mississippi	5,896.5	1,675.0	**7,571.5**
Missouri	9,728.4	799.9	**10,528.3**
Montana	1,439.9	1,816.1	**3,256.0**
Nebraska	1,528.1	1,184.1	**2,712.2**
Nevada	2,142.0	400.0	**2,542.0**
New Hampshire	1,015.4	749.8	**1,765.2**
New Jersey	12,924.7	1,930.0	**14,854.7**
New Mexico	2,356.5	1,100.0	**3,456.5**
New York	30,543.7	11,462.6	**42,006.3**
North Carolina	10,628.4	2,467.5	**13,095.9**
North Dakota	563.0	340.0	**903.0**
Ohio	33,216.1	9,744.0	**42,960.1**
Oklahoma	4,131.9	2,000.0	**6,131.9**
Oregon	7,165.3	6,218.9	**13,384.2**
Pennsylvania	31,235.2	5,524.1	**36,759.3**
Rhode Island	1,889.4	2,242.6	**4,132.0**
South Carolina	6,551.0	2,083.9	**8,634.9**

State	Formula	Discretionary	Total
South Dakota	551.5	750.0	**1,301.5**
Tennessee	11,357.2	1,400.0	**12,757.2**
Texas	$19,273.7	$6,110.0	**$25,383.7**
Utah	2,190.8	5,628.8	**7,819.6**
Vermont	667.1	0	**667.1**
Virginia	6,512.5	1,866.9	**8,379.4**
Washington	11,554.8	4,705.4	**16,260.2**
West Virginia	6,793.7	3,695.1	**10,488.8**
Wisconsin	12,114.6	4,419.5	**16,534.1**
Wyoming	667.0	0	**667.0**
Total allocation to states	**$473,707.7**	**$155,013.8**	**$628,721.5**[a]

[a]The difference between the total state allocation and the amounts budgeted for title III ($650.2 million) is due to allocations to the District of Columbia and U.S. territories and amounts retained by the Department of Labor.

Allocations and Expenditures of JTPA Title III Formula Funds by State and Year

State	Approach	Year[a]	Amount allocated	Reported expenditures	Percent expended
Alabama	RFP	FY 83	$2,069,540	$2,069,540	100
		TY 84	1,782,691	1,782,691	100
		PY 84	4,079,060	4,079,060	100
		PY 85	4,375,377	2,842,394	65
Total			**$12,306,668**	**$10,773,685**	**88**
Alaska	RFP	FY 83	$144,601	$144,601	100
		TY 84	123,845	56,957	46
		PY 84	296,493	180,692	61
		PY 85	423,383	0	0
Total			**$988,322**	**$382,250**	**39**
Arizona	RFP	FY 83	$806,052	$806,052	100
		TY 84	803,016	803,016	100
		PY 84	1,900,800	1,900,800	100
		PY 85	1,323,435	884,172	67
Total			**$4,833,303**	**$4,394,040**	**91**
Arkansas	RFP	FY 83	$694,274	$694,274	100
		TY 84	582,234	582,234	100
		PY 84	1,340,825	907,933	68
		PY 85	1,646,983	0	0
Total			**$4,264,316**	**$2,184,441**	**51**
California	Formula	FY 83	$8,861,374	$8,361,107	94
		TY 84	7,672,100	7,672,100	100
		PY 84	18,211,123	17,001,609	93
		PY 85	17,999,670	0	0
Total			**$52,744,267**	**$33,034,816**	**63**
Colorado	RFP	FY 83	$758,904	$711,989	94
		TY 84	676,672	676,672	100
		PY 84	1,603,294	837,915	52
		PY 85	1,154,720	0	0
Total			**$4,193,590**	**$2,226,576**	**53**
Connecticut	Mixed	FY 83	$721,636	$721,636	100
		TY 84	611,966	611,966	100
		PY 84	1,383,095	1,383,095	100
		PY 85	930,630	559,161	60
Total			**$3,647,327**	**$3,275,858**	**90**

State	Approach	Year[a]	Amount allocated	Reported expenditures	Percent expended
Delaware	Formula	FY 83	$173,267	$173,267	100
		TY 84	139,444	139,444	100
		PY 84	303,277	303,277	100
		PY 85	316,616	350	0
Total			**$932,604**	**$616,338**	**66**
Florida	RFP	FY 83	$2,549,381	$1,901,659	75
		TY 84	2,194,479	2,194,479	100
		PY 84	5,521,134	77,934	1
		PY 85	5,228,930	0	0
Total			**$15,493,924**	**$4,174,072**	**27**
Georgia	Solicited	FY 83	$1,332,344	$874,899	66
		TY 84	1,140,157	1,140,157	100
		PY 84	2,601,742	2,345,917	90
		PY 85	2,560,273	1,850,158	72
Total			**$7,634,516**	**$6,211,131**	**81**
Hawaii	Formula	FY 83	$183,366	$183,366	100
		TY 84	156,572	156,572	100
		PY 84	342,631	282,428	82
		PY 85	376,247	0	0
Total			**$1,058,816**	**$622,366**	**59**
Idaho	RFP	FY 83	$300,546	$300,546	100
		TY 84	257,937	257,937	100
		PY 84	635,620	635,620	100
		PY 85	604,865	290,871	48
Total			**$1,798,968**	**$1,484,974**	**83**
Illinois	RFP	FY 83	$5,261,528	$5,261,528	100
		TY 84	4,496,008	4,496,008	100
		PY 84	10,866,051	10,866,051	100
		PY 85	10,738,301	8,164,022	76
Total			**$31,361,888**	**$28,787,609**	**92**
Indiana	Solicited	FY 83	$2,631,958	$2,631,958	100
		TY 84	2,199,935	2,199,935	100
		PY 84	4,810,706	4,810,706	100
		PY 85	4,771,790	368,275	8
Total			**$14,414,389**	**$10,010,874**	**69**

State	Approach	Year[a]	Amount allocated	Reported expenditures	Percent expended
Iowa	Formula	FY 83	$942,155	$942,155	100
		TY 84	805,263	805,263	100
		PY 84	1,853,741	1,853,741	100
		PY 85	1,737,526	1,519,209	87
Total			**$5,338,685**	**$5,120,368**	**96**
Kansas	RFP	FY 83	$452,763	$452,763	100
		TY 84	398,451	398,451	100
		PY 84	924,805	816,018	88
		PY 85	854,101	0	0
Total			**$2,630,120**	**$1,667,232**	**63**
Kentucky	RFP	FY 83	$1,313,018	$1,313,018	100
		TY 84	1,114,488	1,114,488	100
		PY 84	2,680,337	1,916,664	72
		PY 85	3,241,553	0	0
Total			**$8,349,396**	**$4,344,170**	**52**
Louisiana	RFP	FY 83	$1,370,460	$1,271,365	93
		TY 84	1,149,618	1,149,618	100
		PY 84	3,088,379	1,536,167	50
		PY 85	3,674,881	0	0
Total			**$9,283,338**	**$3,957,150**	**43**
Maine	Solicited	FY 83	$290,361	$290,361	100
		TY 84	262,022	262,022	100
		PY 84	637,866	637,866	100
		PY 85	645,335	141,439	22
Total			**$1,835,584**	**$1,331,688**	**73**
Maryland	Formula	FY 83	$1,354,126	$995,719	74
		TY 84	1,121,251	1,121,251	100
		PY 84	2,310,360	2,310,360	100
		PY 85	1,848,488	1,421,074	77
Total			**$6,634,225**	**$5,848,404**	**88**
Massachusetts	RFP	FY 83	$1,617,271	$1,617,271	100
		TY 84	1,405,715	1,405,715	100
		PY 84	2,902,123	2,902,123	100
		PY 85	2,477,850	2,039,929	82
Total			**$8,402,959**	**$7,965,038**	**95**

State	Approach	Year[a]	Amount allocated	Reported expenditures	Percent expended
Michigan	RFP	FY 83	$6,012,032	$6,012,031	100
		TY 84	5,059,450	5,059,450	100
		PY 84	11,578,385	11,578,385	100
		PY 85	11,169,526	1,434,518	13
Total			**$33,819,393**	**$24,084,384**	**71**
Minnesota	RFP	FY 83	$1,150,409	$1,150,409	100
		TY 84	1,018,439	1,018,439	100
		PY 84	2,465,109	2,465,109	100
		PY 85	2,468.712	1,694,452	69
Total			**$7,102,669**	**$6,328,409**	**89**
Mississippi	RFP	FY 83	$900,540	$900,540	100
		TY 84	776,145	776,145	100
		PY 84	1,932,727	1,932,727	100
		PY 85	2,287,103	1,562,924	68
Total			**$5,896,515**	**$5,172,336**	**88**
Missouri	Mixed	FY 83	$1,595,209	$1,595,209	100
		TY 84	1,349,977	1,349,977	100
		PY 84	3,242,489	3,242,489	100
		PY 85	3,540,734	1,340,560	38
Total			**$9,728,409**	**$7,528,235**	**77**
Montana	RFP	FY 83	$236,950	$232,858	98
		TY 84	199,215	199,215	100
		PY 84	457,198	457,198	100
		PY 85	546,566	410,518	75
Total			**$1,439,884**	**$1,299,789**	**90**
Nebraska	Formula	FY 83	$278,590	$269,500	97
		TY 84	251,099	251,099	100
		PY 84	574,908	574,908	100
		PY 85	423,466	345,938	82
Total			**$1,528,063**	**$1,441,445**	**94**
Nevada	Other	FY 83	$362,465	$362,465	100
		TY 84	323,040	323,040	100
		PY 84	753,523	753,523	100
		PY 85	702,950	553,768	79
Total			**$2,141,978**	**$1,992,796**	**93**

State	Approach	Year[a]	Amount allocated	Reported expenditures	Percent expended
New Hampshire	Other	FY 83	$223,687	$223,687	100
		TY 84	194,658	194,658	100
		PY 84	374,280	332,500	89
		PY 85	222,742	0	0
Total			**$1,015,367**	**$750,845**	**74**
New Jersey	Formula	FY 83	$2,388,579	$2,237,272	94
		TY 84	2,025,737	2,025,737	100
		PY 84	4,503,918	2,129,205	47
		PY 85	4,006,433	80,000	2
Total			**$12,924,667**	**$6,472,214**	**50**
New Mexico	Formula	FY 83	$373,208	$290,358	78
		TY 84	320,663	320,663	100
		PY 84	818,114	818,114	100
		PY 85	844,531	303,634	36
Total			**$2,356,516**	**$1,732,769**	**74**
New York	RFP	FY 83	$5,156,969	$4,692,715	91
		TY 84	4,317,093	4,317,093	100
		PY 84	10,422,943	7,028,662	67
		PY 85	10,646,683	0	0
Total			**$30,543,688**	**$16,038,470**	**53**
North Carolina	Solicited	FY 83	$1,871,567	$1,871,567	100
		TY 84	1,623,683	1,623,683	100
		PY 84	3,650,676	3,650,676	100
		PY 85	3,482,448	2,177,324	63
Total			**$10,628,374**	**$9,323,250**	**88**
North Dakota	Formula	FY 83	$95,228	$95,228	100
		TY 84	76,933	76,933	100
		PY 84	185,629	185,629	100
		PY 85	205,258	84,371	41
Total			**$563,048**	**$442,161**	**79**
Ohio	RFP	FY 83	$5,677,816	$5,677,816	100
		TY 84	4,863,925	4,863,925	100
		PY 84	11,438,077	11,438,077	100
		PY 85	11,236,251	2,662,182	24
Total			**$33,216,069**	**$24,642,000**	**74**

State	Approach	Year[a]	Amount allocated	Reported expenditures	Percent expended
Oklahoma	RFP	FY 83	$413,570	$413,570	100
		TY 84	369,099	369,099	100
		PY 84	1,317,932	1,317,932	100
		PY 85	2,031,292	62,569	3
Total			**$4,131,893**	**$2,163,170**	**52**
Oregon	Formula	FY 83	$1,247,847	$1,247,847	100
		TY 84	1,073,369	1,073,369	100
		PY 84	2,350,768	2,350,768	100
		PY 85	2,493,309	2,029,090	81
Total			**$7,165,293**	**$6,701,074**	**94**
Pennsylvania	RFP	FY 83	$4,988,634	$4,186,374	84
		TY 84	4,288,753	4,288,753	100
		PY 84	10,823,137	9,809,323	91
		PY 85	11,134,643	0	0
Total			**$31,235,167**	**$18,284,450**	**59**
Rhode Island	Mixed	FY 83	$358,983	$358,983	100
		TY 84	316,015	316,015	100
		PY 84	669,235	669,235	100
		PY 85	545,213	502,664	92
Total			**$1,889,446**	**$1,846,897**	**98**
South Carolina	Formula	FY 83	$1,235,137	$1,235,137	100
		TY 84	1,053,909	1,053,909	100
		PY 84	2,315,906	2,315,906	100
		PY 85	1,946,080	1,019,013	52
Total			**$6,551,032**	**$5,623,965**	**86**
South Dakota	Formula	FY 83	$97,907	$97,907	100
		TY 84	86,192	86,192	100
		PY 84	206,188	206,188	100
		PY 85	161,262	158,000	98
Total			**$551,549**	**$548,287**	**99**
Tennessee	RFP	FY 83	$1,944,136	$1,708,045	88
		TY 84	1,672,508	1,672,508	100
		PY 84	3,805,859	2,305,131	61
		PY 85	3,934,745	0	0
Total			**$11,357,248**	**$5,685,684**	**50**

State	Approach	Year[a]	Amount allocated	Reported expenditures	Percent expended
Texas	RFP	FY 83	$2,692,408	$2,692,408	100
		TY 84	2,387,670	2,387,670	100
		PY 84	6,719,377	6,719,377	100
		PY 85	7,474,223	2,077,174	28
Total			**$19,273,678**	**$13,876,629**	**72**
Utah	RFP	FY 83	$339,726	$339,726	100
		TY 84	288,397	288,397	100
		PY 84	758,998	758,998	100
		PY 85	803,640	237,592	30
Total			**$2,190,761**	**$1,624,713**	**74**
Vermont	RFP	FY 83	$113,376	$113,376	100
		TY 84	96,670	96,670	100
		PY 84	225,398	225,398	100
		PY 85	231,705	197,226	85
Total			**$667,149**	**$632,670**	**95**
Virginia	Mixed	FY 83	$1,334,750	$1,334,750	100
		TY 84	1,165,695	1,165,695	100
		PY 84	2,395,540	2,395,540	100
		PY 85	1,616,507	1,094,615	68
Total			**$6,512,492**	**$5,990,600**	**92**
Washington	Mixed	FY 83	$1,985,012	$1,985,012	100
		TY 84	1,721,641	1,721,641	100
		PY 84	3,828,532	3,828,532	100
		PY 85	4,019,601	2,132,225	53
Total			**$11,554,786**	**$9,667,410**	**84**
West Virginia	RFP	FY 83	$955,813	$955,813	100
		TY 84	826,295	826,295	100
		PY 84	2,241,181	1,421,801	63
		PY 85	2,770,400	0	0
Total			**$6,793,689**	**$3,203,909**	**47**
Wisconsin	RFP	FY 83	$2,125,542	$2,125,542	100
		TY 84	1,844,966	1,844,966	100
		PY 84	4,260,996	4,260,996	100
		PY 85	3,883,145	1,184,038	30
Total			**$12,114,649**	**$9,415,542**	**78**

State	Approach	Year[a]	Amount allocated	Reported expenditures	Percent expended
Wyoming	Solicited	FY 83	$77,670	$77,670	100
		TY 84	71,649	71,649	100
		PY 84	263,359	263,359	100
		PY 85	254,278	1,253	0
Total			**$666,956**	**$413,931**	**62**
Total			**$473,707,633**	**$331,341,114**	**70**

[a]The four funding periods used are:
FY 83—October 1, 1982, through September 30, 1983
TY 84—October 1, 1983, through June 30, 1984
PY 84—July 1, 1984, through June 30, 1985
PY 85—July 1, 1985, through June 30, 1986

Tables Containing Data Supporting Bar Graphs in Report Text

Table III.1: Respondent Impressions of Burden to Obtain and Document Matching Resources (Data for Fig. 2.4)

Extent	Percent of Projects
Little or none	13
Some	25
Moderate	35
Great	18
Very great	9

Table III.2: Participant Characteristics (Data for Fig. 3.2, Between 22-44 Years Old)

Age	Percent of Participants
21 and under	4
22-44	69
45-54	19
55 and over	8

Table III.3: Older Worker Representation in Title III Projects (Data for Fig. 3.3)

Percent served	Percent of projects
None	24
1-8	44
9 to 20	24
Over 20	8

Table III.4: Less Educated Worker Representation in Title III Projects (Data for Fig. 3.4)

Percent served	Percent of projects
None	11
1-22	56
23-32	15
Over 32	18

Table III.5: Remedial Training Participation Levels in Title III Projects (Data for Fig. 4.1)

Percent of participants receiving training	Percent of projects
None	68
1 to 10	17
11 to 25	7
26 to 80	5
Over 80	3

Table III.6: Classroom Training Participation Levels in Title III Projects (Data for Fig. 4.2)

Percent of participants receiving classroom training	Percent of projects
None	22
1 to 10	11
11 to 25	16
26 to 80	22
Over 80	29

Table III.7: OJT Participation Levels in Title III Projects (Data for Fig. 4.3)

Percent of participants receiving OJT	Percent of projects
None	33
1 to 10	18
11 to 25	17
26 to 80	16
Over 80	16

Table III.8: Job Placement Assistance Participation Levels in Title III Projects (Data for Fig. 4.4)

Percent of participants receiving job placement assistance	Percent of projects	
	Job counseling	Job search
None	12	16
1 to 10	1	3
11 to 25	3	4
26 to 80	10	23
Over 80	74	54

Table III.9: Support Services Participation Levels in Title III Projects (Data for Fig. 4.5)

Percent of participants receiving support services	Percent of projects
None	42
1 to 10	12
11 to 25	7
26 to 80	16
Over 80	23

Table III.10: Placement Rates for Title III Projects (Data for Fig. 5.1)

Placement rate	Percent of projects
40% or less	14
41% to 69%	28
70% to 80%	24
Over 80	34

Table III.11: Wage Levels for Title III Projects (Data for Fig. 5.2)

Wage levels	Percent of projects
$5.00 or less	28
$5.01 to $6.61	40
$6.62 to $7.00	7
$7.01 to $8.00	11
Over $ 8.00	14

Table III.12: Percent of Participants Finding Jobs in Different Occupations (Data for Fig. 5.5)

Percent of participants	Percent of projects
25 or less	10
26 to 50	13
51 to 73	16
74 to 90	22
Over 90	39

Table III.13: Percent of Participants Finding Jobs in Different Industries (Data for Fig. 5.6)

Percent of participants	Percent of projects
25 or less	22
26 to 61	22
62 to 80	19
81 to 90	13
Over 90	24

Table III.14: Occupations in Which Title III Participants Found Jobs (Data for Fig. 5.7)

Occupation	Percent of participants
Sales worker	5
Manager, professional	6
Unskilled labor	8
Technical (paraprofessional technician)	8
Service worker	12
Clerical or office worker	13
Skilled craftsman, foreman, tradesman	15
Semiskilled equipment/machine operator	33

Characteristics of Title III Participants Identified by GAO and JTLS[a]

Characteristics	Percent of participants	
	GAO data[b]	JTLS data July 1984-March 1985
Age:		
21 and under	4	6
22-44	69	73
45-54	19	15
55 and over	8	6
	100	**100**
Education level:		
Less than high school	22	20
High school graduate	55	52
Education/training beyond high school	23	28
	100	**100**
Gender:		
Male	60	62
Female	40	38
	100	**100**
Race:		
White	69	70
Black	21	22
Hispanic	7	6
Other	3	2
	100	**100**

[a]Department of Labor, Job Training Longitudinal Survey.

[b]GAO data based on the most recent 9 months of project activity from the start of JTPA through March 31, 1985.

Title III Projects in GAO Analysis Operating Between October 1982 and March 1985

State	Number of projects
Alabama	12
Alaska	2
Arizona	4
Arkansas	4
California	67
Colorado	11
Connecticut	2
Delaware	1
Florida	14
Georgia	10
Hawaii	3
Idaho	7
Illinois	22
Indiana	11
Iowa	21
Kansas	6
Kentucky	11
Louisiana	7
Maine	7
Maryland	11
Massachusetts	12
Michigan	18
Minnesota	19
Mississippi	9
Missouri	6
Montana	5
Nebraska	5
Nevada	1
New Hampshire	1
New Jersey	19
New Mexico	1
New York	76
North Carolina	1
North Dakota	1
Ohio	43
Oklahoma	4
Oregon	8
Pennsylvania	30
Rhode Island	2

State	Number of projects
South Carolina	1
South Dakota	1
Tennessee	8
Texas	17
Utah	8
Vermont	1
Virginia	3
Washington	5
West Virginia	7
Wisconsin	16
Wyoming	2
Total	**563**

Comments From the Department of Labor

U.S. Department of Labor

Assistant Secretary for
Employment and Training
Washington, D.C. 20210

MAY 15 1987

Mr. Richard L. Fogel
Assistant Comptroller General
Human Resources Division
U.S. General Accounting Office
Washington, D.C. 20548

Dear Mr. Fogel:

In reply to your letter to Secretary Brock requesting comments on the draft GAO report entitled "Dislocated Workers: Approaches and Outcomes of Job Training Partnership Act Projects," the Department's response is enclosed.

The Department appreciates the opportunity to comment on this report.

Sincerely,

ROGER D. SEMERAD
Assistant Secretary of Labor

Enclosure

U.S. Department of Labor's Response to
The Draft General Accounting Office Report
Entitled --

Dislocated Workers: Approaches
and Outcomes of Job Training
Partnership Act Projects

Recommendation: We recommend that the Secretary of Labor provide technical assistance to States that are slow in their expenditure of Title III funds. The technical assistance should focus on ways to speed up the "request for proposal" funding mechanism.

Response: The Department concurs.

It should be noted that the Department's relationship with the States has changed from that under previous training and employment programs. The Job Training Partnership Act (JTPA) establishes a decentralized system, with the Governors having a much greater role in setting policy and administering programs while the Department provides broad programmatic leadership. Within this framework, the Department itself, and through interest groups such as the National Governors' Association (NGA) and the National Alliance of Business, is available to provide needed technical assistance to the States as requested. While the Department concurs with the thrust of the recommendation--that the rate of expenditure of Title III funds should be increased--the Department does not believe that technical assistance to States to speed up the "request for proposal" funding mechanism is necessarily the preferred course of action.

Congressional appropriations set a reduced funding level of $95 million for Title III in Program Year 1986. This was a proper interim measure, which the Department anticipates will have the effect of reducing or eliminating the excess carryout of Title III funds from prior program years.

The Department also believes that a major source of the problem in expenditure of Title III funds is the formula distribution of funds to States experiencing little or no worker dislocation. This problem could be corrected by providing the Secretary with greater discretionary authority

to award Title III funds, as requested in the Administration's Fiscal Year 1987 budget proposal. This would permit the Secretary to quickly award funds to areas with the greatest need.

Notwithstanding the above, the Department is taking other steps which should result in more rapid and effective delivery of Title III services and in an improved Title III expenditure rate. The Department's Employment and Training Administration is in the process of developing a proactive approach to managing job training programs, including those under Title III. A feature of this activity will be the conduct of in-depth management reviews of State program administration, which will lead to technical assistance where indicated. This activity will be implemented beginning in the summer of 1987.

The Department, in cooperation with NGA and selected States, is conducting a demonstration project to test the adaptability of the Canadian Industrial Adjustment Service approach to serving dislocated workers. This program of government partnership with labor and management features early intervention in the event of a plant closing or layoff. Thirty-five States were introduced to the Canadian program in the spring of 1986 through a series of conferences jointly sponsored by the Department and NGA. The Department plans to share the results of this demonstration project with interested States.

Recommendation: We recommend that the Secretary of Labor work with State and local officials to identify the reasons for the lower representation of older and less-educated dislocated workers in the JTPA Title III program, and then develop strategies to obtain greater program participation by these workers.

Response: The Department concurs.

The Department agrees that lower representation of older and less educated dislocated workers is a concern in Title III programming. The Department would contend, however, that the

major reasons for lower representation of older and less well-educated dislocated workers in Title III programs are known. The report by the General Accounting Office has surfaced some of the reasons. To those surfaced by the GAO, the Department would add for older workers retirement and a desire to obtain part-time or intermittent employment, as evidenced by experience with the JTPA Section 124 "three percent" older worker program, and, for both groups, timing or the ability of a project to get underway before or soon after a layoff or closing.

The Department's position is that, by and large, the States are conducting sufficient outreach to contact older and less-educated dislocated workers, but that the payoff has been poor, in large measure, because of individual reluctance to participate for the reasons stated above.

Nevertheless, the Department will continue to bring its concern about services to older workers to the attention of the system, and to urge program operators to continue to make every effort to provide maximum services to this group. We will also discuss this issue with the JTPA Roundtable and determine if there are approaches being used successfully which may be transmitted throughout the system.

The Department is actively involved in two efforts with the National Association of Broadcasters to overcome individual reluctance to participate in training programs. The first, Project Literacy U.S. (PLUS) is a broad-based effort to increase awareness of the literacy problem, encourage individual action, and foster community efforts to address literacy problems. The second, the "Work Resource and Retraining Initiative," is focussed more narrowly on dislocated workers or workers for whom dislocation is likely. This demonstration project will seek to develop media approaches which will encourage workers to seek training assistance. It, too, will seek to better develop community capability to respond to dislocated workers' training needs. The results of these latter projects will be shared with the States.

Comments: The Administration's Fiscal Year 1988 Budget proposes to replace the existing JTPA Title III and Trade Adjustment Assistance programs with a more comprehensive program of adjustment assistance for dislocated workers. The new program will feature early adjustment assistance and other features which should result in both timely expenditure of program funds and improved delivery of services to all dislocated workers.

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